

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JANUARY 15, 1931

“STRENGTH LIES IN DEEDS NOT SIZE”



[[On August 3, 1804, Stephen Decatur attacked the Tripolitan flotilla and after a hand to hand battle known as the "biggest little fight in history" defeated the Moham-medan pirates and established unmolested American shipping in the Mediterranean.]]

AMERICAN ships in north African waters were always in danger of being attacked by pirates until Stephen Decatur by a bold stroke successfully repulsed these robbers, made them beg for mercy and promise never again to molest American ships. Other historical deeds are better known than this but none ever meant more to the success of American shipping.

There are today bigger and smaller automobile, fire and windstorm insurance companies than the Eureka-Security Fire and Marine but none are better for agents to represent. 66 years of experience expressed in deeds and service to agents and policyholders has given this company strength and security in its accomplishments.

The Eureka-Security Fire and Marine Insurance Company

(Also known as the Cincinnati Underwriters)

Established 1864

Cincinnati, Ohio

“THE COMPANY THAT KNOWS WHAT TO DO FOR ITS AGENTS AND DOES IT”

Every insurance man should know the story

No reliable stock company protests what seems an honest claim. That's a definite statement you can take to your customers. The records of the Agricultural and Empire State are proof of the fairness of stock insurance companies in adjusting losses.

It's a statement that should need no explanation. Yet there is one thought that should be given to every policy holder. That is, that when a company accepts a premium it becomes party to a contract. It agrees to reimburse the assured for losses arising from hazards defined in that contract.

It cannot agree to reimburse for losses arising from other causes which are not covered by the premium or the policy.

Thus when fraudulent or excessive claims are made, the company must protest. If a company is made to pay such claims it can get the money only from the policy holders for they are its chief source of income.

You can put this up to a client from his own individual viewpoint. Point out that when a neighbor collects an excessive or fraudulent claim, he is collecting from your client. Ask the latter if he is willing to contribute.

. . .

The facts in the foregoing paragraphs are not news to you. We suggest them for serious consideration, however, because they are sound economics—and will be of interest to all your better customers.

Agricultural
Insurance Company,
of Watertown, N.Y.

Empire State
Insurance Company,
of Watertown, N.Y.



THESE AGRICULTURAL AND EMPIRE STATE POLICIES ARE AVAILABLE TO ALL PURCHASERS • Fire • Parcel Post • Automobile Marine • Use and Occupancy • Rent and Leasehold • Windstorm • Aircraft Damage • Sprinkler Leakage • Explosion and Riot • and other property coverages.



America Fore All Risks Fur
policies provide the utmost
protection for your clients
who own furs of value.

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY

FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Boards
PAUL L. HAID, President
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
PAUL L. HAID, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

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**Year in and
year out you'll
do well with the
Hartford
Accident and
Indemnity
Company**

The National Underwriter

Thirty-Fifth Year No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 15, 1931

\$4.00 Per Year, 20 Cents a Copy

New Proposal on Missouri Refund

Measure in Legislature Would Turn Excess Premiums Into State Treasury

LEGAL OBSTACLE SEEN

Eleemosynary Institutions Would Get the Money Unclaimed by Policyholders of the State

KANSAS CITY, MO., Jan. 14.—A measure will be introduced in the Missouri legislature this week designed to reach the estimated \$10,000,000 in excess premiums yet unaccounted for to policyholders in the state under the 10 percent reduction order as well as to care for similar situations in the future.

J. T. Blair, Jr., Democratic floor leader of the house, is introducing the measure, which would provide that unclaimed premiums and refunds shall revert to the state treasury and be used for the needs of eleemosynary institutions. Under the bill insurance companies would be compelled to furnish the insurance department a complete list of all unpaid premiums under the present reduction order as well as all times in the future. It carries an emergency provision and would become effective upon the approval of the governor.

Annual Reports Required

Reports by insurance companies would be required annually, starting Sept. 1 this year. The reports would be sent by the insurance superintendent to the treasurer, whose duty it would be to notify those entitled to unpaid claims. The names of those failing to respond later would be published, together with amounts due. After Dec. 31 each year the money yet unclaimed would go to the state and constitute a contingent reserve for the exclusive use of eleemosynary institutions.

Failure of insurance concerns to comply with the law would give the insurance department power to revoke the rights of companies to do business in Missouri for a 10-year period.

New Suit Is Filed

Suit was filed last week in the Cole county circuit court against the stock fire companies in an effort to compel them to make a complete accounting to all Missouri policyholders and to place the distribution of refunds now in the hands of the companies under the control of the court and the state department. This action followed a recent ruling by the Missouri supreme court that the proper place to institute a proceeding to recover refunds was in the circuit, not the supreme court.

Insurance companies have been making refunds, but not under supervision of the state department, which claims it has not received information as to the extent of the effort by each company to reach policyholders, although compa-

Younger Resigns



JUDGE C. S. YOUNGER

Judge C. S. Younger, insurance superintendent of Ohio, has resigned and has requested early acceptance by Governor White. The efficient insurance supervisor has accepted the position of general counsel of the State Automobile Mutual, with offices at 518 East Broad street, Columbus, O., and will begin his new duties as soon as he can be released from the state post.

He is well qualified for this position, having had wide experience in both legal and insurance matters. He was for several years probate judge at Celina, O., then two years as deputy insurance superintendent, followed by six years' experience as special counsel for the attorney-general of Ohio, in charge of all insurance matters. He won four important insurance cases in the United States Supreme Court while in this latter capacity.

Prominent in Convention

When he was appointed superintendent by Governor Cooper he brought to the office a wide and valuable legal and insurance experience which has served him in good stead and which has been greatly appreciated by the insurance fraternity.

He occupies a prominent position in the National Convention of Insurance Commissioners, being chairman of the laws and legislation committee, one of the most important in the convention, and on its executive committee.

nies were directed to make such a report.

Fire insurance people are pointing to section 15, article II of the Missouri constitution as evidence that the prospective legislation affecting unclaimed refunds could not be applied to the present refunds. "No ex post facto law," this section states, "or law impairing the obligation of contracts or retrospective in its operation or making any irrevocable grant of special privilege or immunities, can be passed by the general assembly."

Armstrong New Pennsylvania Commissioner of Insurance

PROMINENT IN POLITICS

New Official Was Governor Pinchot's Running Mate in Primary—Former Representative

PHILADELPHIA, Jan. 14.—Governor-Elect Pinchot has appointed Charles F. Armstrong of Leechburg, Pennsylvania insurance commissioner. In announcing the appointment Mr. Pinchot said:

"C. F. Armstrong, candidate for lieutenant governor as my running mate in the primary, has been offered and has just accepted the position of insurance commissioner. Mr. Armstrong was for many years a leader in the house of representatives, of which he was a member for five terms. His high character and capacity for this particular post are evidenced by the numerous requests received from insurance men all over Pennsylvania for his appointment to this important post. I look forward with deep pleasure to cooperation with Mr. Armstrong to protect and advance the interests of insurers and the general public. Our coming association will be most delightful to me."

Mr. Armstrong, who was born Oct. 21, 1865 in Marmarville, Allegheny county, Pa., is married and has two sons. He was a member of the state house of representatives from 1919 to 1927 inclusive and was co-author of the Snyder-Armstrong dry law, the Pennsylvania enforcement act, during the 1923 legislative session. He was postmaster of Leechburg for three years, resigning early last year to run as the Pinchot candidate for lieutenant governor. He has had no insurance experience.

Home's Statement Is Issued

In Spite of Business Depression, the Company Came Through in Excellent Shape

NEW YORK, Jan. 14.—First of the giant fire companies of the country to make public its 1931 statement is the Home of New York, to be followed within a day or two it is understood by that of the City of New York, one of its affiliates; other of the group offices will issue their respective reports soon thereafter. If the showing of the smaller companies is relatively as satisfactory as that of the Home their shareholders will have ample reason for congratulating themselves. At the close of 1930 the Home possessed assets of \$116,896,125, capital \$24,000,000 and net surplus \$37,491,906. Compared with the returns of the previous year the assets reveal a loss of about 10 percent, which in the light of the great falling off in the securities market during the past 12 months is held to be remarkable. The present unearned premium reserve is \$40,721,992, evidencing that despite the great dearth of business, the income of the company was well maintained through a most trying year.

Fire Loss in 1930 Was \$465,000,000

National Fire Protection Association Gives Review of Last Year's Results

CONFLAGRATIONS FEWER

Biggest Event of the Year Was the Catastrophe at Nashua, N. H., in May

While the total loss by fire in 1930 is likely to run higher than the 1929 loss, there were only five fires with a loss exceeding \$1,000,000 in 1930 as compared with 15 in 1929 and 20 in 1928, according to the National Fire Protection Association, which has just completed a review of the largest and most disastrous fires of the past year.

1930 Loss Put at \$465,000,000

Preliminary estimates on the basis of losses reported to insurance companies place the 1930 fire loss at \$465,000,000 approximately 10 per cent greater than last year. In view of reduced commodity costs during the past year the association states that it is quite likely that the actual loss in burned property, especially stocks and merchandise, may actually be considerably in excess of that indicated by the figures.

The biggest fire of the year was the Nashua, N. H., conflagration of May 4, 1930, which destroyed more than 300 buildings. Other big fires which were almost of the proportions of general conflagrations were that which swept the business district of Gore, Va., on Aug. 5, and that involving several mercantile buildings at Waukegan, Ill., Nov. 16.

Terminals Suffered Big Loss

While the largest number of big fires were in miscellaneous manufacturing plants, property at rail and water terminals suffered heavily. In March, 1930, for example, the New Orleans wharf district suffered two fires less than 10 days apart involving a total loss of over \$3,600,000. Many lumber mills contributed heavy losses. Nearly all of these properties, according to the association, were poorly protected against fire. It states that in this respect rail and water terminals are notorious and may be expected each year to contribute a large share of the big fires.

Sixty-five Over \$250,000

Sixty-five fires involved losses so large, over \$250,000 each, as to be classed as of conflagration proportions. While the geographical distribution in general follows the known concentrations of burnable values, it is significant, the association points out, to note the considerable number which occurred at points where the property was situated beyond the limits of a municipal water supply or organized fire department.

New Kansas Hail Schedule Is Agreed Upon for 1931

FOUR NEW ZONES CREATED

Companies to Write Business in Western Section—Two New 12 Percent Counties

TOPEKA, KAN., Jan. 14.—New hail rates for 1931 have been adopted in Kansas. The companies and the insurance department have reached an agreement on the schedule for this year and the long controversy is ended. The companies get some increases and the farmers get some decreases. Four new rate zones are created. But an important feature of the settlement is that the companies are to write business in the western part of the state in 1931.

The companies wanted to add seven counties to the 19 now in the 12 percent zone. They were allowed to add Stevens and Seward, making 21 counties in that zone. The four new zones are the five, seven, nine and eleven percent zones. Heretofore the zones have been 3, 4, 6, 8, 10 and 12 percent. The 3 percent zone remains as at present, about one-third of the state. Morris and Pratt counties now constitute the 5 percent zones. Both were in the 4 percent zone. Comanche and Barber and the south three-fourths of Stafford county constitute the 7 percent zone. Comanche and Barber were in the 6 percent zone while Stafford was in the 10 percent. Three-fourths of Stafford county gets a big reduction while the north tier of counties remains at 10 percent. It is the first time that zone lines have been cut within a county.

Gove and Trego Reduced

The 9 percent zone is composed of Gove and Trego, reduced from the 10 percent zone. The 11 percent zone is made up of Rawlins and Decatur, which get a reduction and Clark and Meade, which get an increase in the rates.

The companies wanted to move Reno, Clay, Dickinson, Saline and McPherson from the 4 to 6 percent zone but this was refused.

The changes made were based on the experience of the hail companies for 15 years. There are some counties in the western part of the state which would require as high as 60 percent insurance premium to be profitable. But the companies did not want to go above 12 percent. A 14 percent zone was offered them for these counties but it was refused.

The companies suffered their most disastrous year in 1928 when some of them showed a loss ratio of 600 percent of the premium income. They demanded higher rates for 1929 but the insurance department felt the proposals were out of line as the experience was bad only in the western part of the state. The companies declined to accept a compromise so the rates for 1928 remained for 1929. But the companies wrote only a few selected risks and would not sell insurance generally.

The companies appeared in 1930 with another schedule and it also was unsatisfactory to the department and was not approved, leaving the 1928 rates in effect for a third year. Some compromises were offered at that time but the companies declined to accept any changes in their schedule.

When the conference representatives appeared this year it was with an entirely different attitude and with a different sort of schedule than had been presented heretofore. The result was that it required only a short discussion and statement of facts for the company representatives and the state to reach an agreement.

Meet in Washington

The West Virginia Fire Underwriters Association held its annual meeting Jan. 14 in Washington, D. C.

Opportunities in Insurance

Writing in a recent issue of "Fire-scape," published by the Retail Credit Company, O. J. Eastman, assistant secretary of the Northwestern Fire & Marine, gives some helpful information to any young man who might be interested in going into the fire insurance business as a life work.

Under the title "How long does it take to become a successful insurance man?" Mr. Eastman reviews briefly the requirements for executive positions both in underwriting and in the inspection and engineering phases of the business. He then points out the special opportunities for study and research which are now open to the ambitious student of fire insurance.

No Short Cuts to Success

Mr. Eastman quotes Abraham Lincoln's famous reply to the question, "How long should a man's legs be?" Namely, "Long enough to reach from his body to the ground." In applying the same reasoning to the study of fire insurance, "there are no short cuts to success," says Mr. Eastman, but on the contrary, it "requires long years of arduous study and experience."

Several avenues of study are suggested. "A young man may study insurance at the Northwestern University," says Mr. Eastman, "under a scholarship provided by a group of fire companies. If he has sufficient credits (and the requirements are only fair), he may make

application to any of the interested companies for such a scholarship. Of course, he must be of sound body and mind and of good address and moral character.

"Then there may be some with a bent of mind toward the attainment of a degree, such as bachelor of science. This is afforded to quite a number of young men by a scholarship at the Armour Institute at Chicago. This scholarship is also fostered by a group of fire companies, and it calls for about the same entrance requirements. Its purpose leads toward the science of fire protection engineers."

Mr. Eastman mentions the value of the insurance journals to the student of the business as a most excellent way of keeping abreast of current trends and developments in the insurance field. "If you do not read the trade journals afforded by your business," says Mr. Eastman, "you are not very much interested in what is going on. A trade journal is the insurance man's newspaper. It keeps him promptly informed as to what changes are going on in the business, the new coverages being put on the market, etc. Further, numerous books on insurance are coming on the market right along."

"Reading and study with intelligent application of what is learned will," says Mr. Eastman, "put the young student of the insurance business a long way toward success in this field."

Annual Meeting Is Held by New England Exchange

BOSTON, Jan. 14.—Last year was one of unusually low business activity, reduction in fire insurance premiums and a corresponding increase in loss and expense ratios, President J. F. Gough of the New England Insurance Exchange said in giving highlights at the annual meeting here Jan. 9. He reported that the exchange, at the end of its 48th year, had 300 active and 201 honorary members, an increase. Six active and four honorary members died during the year.

H. F. Still, executive chairman, said that no general rate reductions were made in the year. "Although continued improvement in construction and protection in the years to come may be of

sufficient value and importance to warrant a continuance of the downward trend in fire insurance rates," he said, "it would appear from the underwriting experience of our companies during the past few years that rates in this territory are about as low as they should be."

This being the off year of the exchange, the elections were confined to a new vice-president and three members of the executive committee. G. E. Mofette was elected first vice-president for two years and Walter Davol, W. H. Raymond and D. B. Sherwood were elected to the executive committee for two years each. R. T. Cairns, ranking holdover member, will be chairman. Mr. Gough continues as president. A. C. Knox, special agent Connecticut Fire, Boston, and W. T. Lepper, special agent Aetna, Burlington, Vt., were elected members.

Board Denied Rehearing in Texas Commission Case

SUPREME COURT NEXT STEP

Third Court of Civil Appeals Overrules Motion in Suit Involving Commercial Standard

DALLAS, TEX., Jan. 14.—The motion of the Texas board of insurance commissioners for a rehearing in the case of the Commercial Standard has been overruled by the third court of civil appeals.

This is the case in which the appellate court held that the state board of insurance commissioners exceeded its authority and violated the anti-trust law in promulgating a ruling fixing the maximum commissions to be paid local agents in Texas.

The next step in legal procedure is an appeal to the supreme court of Texas on a writ of error and it is understood the state board of insurance commissioners will do that. The appeal probably will be taken in the next 15 days but a decision of the court, should it claim jurisdiction, would hardly be rendered before spring.

Legislature May Give Power

Meanwhile the legislature is in session and it is understood a measure will be offered giving the state board of insurance commissioners the authority that the appellate court said it did not have under the law. It is reported attorneys interested in the "flat commission" ruling have prepared the bill and that a good many of the local agents have promised to lend what ever assistance they can toward getting it through the legislature.

There are attorneys and insurance men who hold that such measure, if enacted into law, would immediately be contested by some of the companies on the grounds that it violates the anti-trust law in that it eliminates competition, and that it would violate the provisions of the state and federal constitutions guaranteeing the right of contract.

Henne Takes Wilbur's Place on W. U. A. Governing Body

To take the place of J. R. Wilbur, retired vice-president of the America Fore companies, on the governing committee of the Western Underwriters Association, President C. R. Street has appointed E. A. Henne, who is Mr. Wilbur's successor in the America Fore.

By special request Mr. Wilbur will continue to act as chairman of the supervisory committee of the mountain jurisdiction until the annual meeting of the Western Underwriters Association. His continuance in this position was deemed advisable in view of the fact that the separation of local and general agencies in the Rocky Mountain territory is now in progress, the zero hour for the divorce being March 31.

Mr. Street has decided not to appoint a successor to Mr. Wilbur on the other committees of the Western Underwriters Association of which Mr. Wilbur was a member. These committees are less important and it is not essential that the vacancies be filled until after the annual meeting.

Michigan Field Man Dies

W. F. Hill, special agent in Michigan for the New York Underwriters, died suddenly at his home in Grand Rapids Tuesday, presumably of apoplexy. Mr. Hill had been traveling for the New York Underwriters in Michigan for 11 years. Previously he traveled in Illinois for the Home. He was the son of the late William Hill, who was well known as Illinois state agent for the London. He was 41 years of age.

CONDENSED NEWS OF WEEK

The National Fire Protection Association in its bulletin says that 1930 showed a larger aggregate loss but fewer big fires. **Page 3**

Measure will be introduced in Missouri legislature providing for assignment of unclaimed refunds in that state to eleemosynary institutions. **Page 3**

C. F. Armstrong has been appointed Pennsylvania insurance commissioner. **Page 3**

Program for Indiana Insurance Day at Indianapolis, Jan. 20, is announced. **Page 6**

New Jersey agents not concerned over uniform commission law decision. Managers disturbed over possibility of enactment of similar legislation in other states. **Page 6**

Texas board of insurance commissioners refused a rehearing on Commercial Standard case by the third court of civil appeals. **Page 4**

C. T. Wright of Chicago, special agent of the Great American, rounds out 50 years of service with his company. **Page 5**

Associate Manager Glidden of Chicago Board explains new balance collection plan to Cook County Field Club. **Page 5**

New 1931 hail schedule adopted in Kansas. **Page 4**

Program for the annual meeting of the South Dakota local agents is announced. **Page 20**

Home of New York is the first of the big companies to present its annual statement. **Page 3**

Judge C. S. Younger resigns as Ohio insurance superintendent to join automobile mutual. **Page 3**

Group of Troy, N. Y., citizens is seeking revision and simplification of New York standard policy. **Page 9**

New York court of appeals reverses lower court on unlimited liability under automobile policies. **Page 32**

President Gilchrist reports effect of closing of the Bank of the United States on fortunes of the Consolidated Indemnity, expressing the opinion that the full force of the shock has been felt and that prospects for the future are promising. **Page 31**

Association of Casualty & Surety Executives prepares for legislative season by taking extra office space; to increase staff. **Page 31**

St. Paul Insurance Exchange asks Minnesota department investigation of practices of Anchor Casualty. **Page 32**

The Equitable Casualty & Surety not yet reinsured. **Page 33**

The United States Casualty opens its Chicago branch office. **Page 34**

Rates for credit indemnity may be increased as result of New York conference on heavy losses during business depression. **Page 31**

Glidden Explains Collection Plans

Associate Manager of Chicago Board Gives Background of Balance Action

TRY TO CHECK TWISTING

Credit Reporting System with Symbol Designations Hinted by Board Man Before Field Club

Conditions which led the Chicago Board to institute its balance collection plan Jan. 1 were outlined before the Cook County Field Club at its January meeting by J. S. Glidden, associate manager of the board. He pointed out that to have permitted the situation to continue might easily have been very destructive, as competitive conditions were becoming more adverse from day to day and it might have been expected that more credit would have been extended.

Mr. Glidden pointed out that, strictly speaking, credit should be granted only to men who do not need the money, but he said there had been a "vicious circle" in Cook county fire business, many brokers and sub-agents starting up in business with little money and having little trouble in getting authorization to collect premiums.

Appropriate Money for Selves

"The first thing that happens with a man not fundamentally honest," Mr. Glidden said, "is that he appropriates part of his collections for living expenses and never gets out of this situation unless he lays by a part of his earnings to get down to a reasonable credit basis."

Mr. Glidden said Cook county premiums run from \$25,000,000 to \$30,000,000 a year, and to divide this equally between 250 companies operating in the territory would mean that each office would get only about \$100,000 premiums. However, he said, some offices get as much as \$500,000, while there are others that get only about \$1,000. The offices which have become established and gained a great deal of business naturally would like to have the business stabilized and those which have not very much premiums desire to get some.

Calls Principle Wrong

"The fundamental difficulty is that our principles are all wrong, so our details are wrong," Mr. Glidden said. "The brokers and sub-agents in classes 2, 3, 4 and 5 extend unreasonable credit to insureds and for this reason they require of their companies and Cook county managers an unreasonable amount of credit. It works both ways."

"The result is that out of all the Cook county premiums at least one-sixth is uncollected for 60 days, or somewhere near \$6,000,000. I believe any one will admit this is a very large proportion. This may run as high as 20 percent. Out of this it is safe to say that at least half has been collected from insureds. This means that there is at least \$500,000 in the hands of Cook county producers all the time which should have been remitted to companies."

Problem of Long Standing

He pointed out that this is not a new problem. On Oct. 10, 1918, the Chicago Board after more than a year's study of past rules covering the entire collection system required that business be canceled 45 days after the close of the

(CONTINUED ON PAGE 13)

Fifty Years



CHARLES T. WRIGHT
Illinois Special Agent Great American

Charles T. Wright of Chicago, veteran special agent of the Great American group in northern Illinois, was accorded signal honor at Kankakee Tuesday evening when a large number of field men and other insurance men gathered to pay him honor on having completed 50 years' service with his organization. He became a minor clerk in the old western department of the German American, Jan. 13, 1881. Eugene Cary was manager. There were eight clerks in the office. John S. Belden was assistant manager. George W. Blossom of Fred S. James & Co. was chief clerk and Siegfried Schwarz, who later became western manager of the Westchester, was loss clerk. Mr. Wright occupied a number of positions in the office, especially in the accounting and supply departments. Twelve years ago he went into the field. He traveled for two years in southern Illinois but during the last 10 years has had the northern section. He is the oldest employee in the western office.

Had Remarkable Record

It is seldom that a man is able to complete 50 years of continuous service with one organization. Mr. Wright certainly has that distinction among field men. During the half century he has done his work well, is beloved by his associates and friends. The affair at Kankakee was in charge of W. C. Sonnen of the Liverpool & London & Globe, president of the Illinois Fire Underwriters Association, and S. E. Moisant of Kankakee, secretary Illinois Association of Insurance Agents.

Started as Office Boy

When Mr. Wright went with the German American as an office boy he was a little over 11 years old. His brother was running an elevator in the old National Life building at 159 LaSalle street when Judge Cary asked him if he knew where he could get an office boy. Elevator Conductor Wright then brought in his brother, "Charlie."

At the banquet C. M. Cartwright of THE NATIONAL UNDERWRITER was toastmaster. State Fire Marshal Legried in an address decorated Mr. Wright with state honors, appointing him as special inspector of the department of trade and commerce under the fire marshal's department and giving him a gold star as the insignia of his appointment. On behalf of those present, A. A. Knopp of the New York Underwriters gave Mr. Wright a full pledged General Motors house refrigerator fully equipped.

Addresses were made by Vice-president C. R. Street of the Great American; Rodney Brandon, head of the state welfare department; H. G. Casper, western manager of Fred S. James & Co., who was formerly state agent of the Great American; R. T. Huggard, Ohio

A. B. Banks Starts Life Again at Fordyce, Ark.

By CLIO HARPER

LITTLE ROCK, ARK., Jan. 14.—Aloysius Burton Banks, late president and chief promoter of the Home Life, Home Fire and Home Accident companies of Fordyce and Little Rock, Ark., has for the past two months been the storm center of a financial situation that has rocked the state from center to circumference. Since the middle of November, more than 100 banking institutions in the state have been closed temporarily or permanently, following the closing of the American Exchange Trust Company of Little Rock, the largest bank in the state, of which A. B. Banks was president. The Home Fire and Home Accident are in receivership and the Home Life company has been reorganized, with Mr. Banks eliminated.

Been a Big Figure in the State

Mr. Banks has been more or less intimately associated with insurance, banking and utility interests to such an extent that the financial upheaval following his failure, has involved practically everybody in the state more or less directly. Statements have been made to the effect that A. B. Banks' liabilities exceed \$1,500,000. Schedules of the A. B. Banks company and associate holding concerns, the Van M. Howell Company, show that they owe 32 banks of Arkansas an aggregate amount of \$1,292,630, of which \$488,000 is due the American Exchange Trust Company of Little Rock which suspended Nov. 17.

Condition of Hysteria

The collapse of the Banks' interests has produced a condition of uncertainty, unrest and actual loss bordering upon hysteria. The state bank commissioner, the governor, depositors' committees, receivers, liquidating agents, stockholders, and others are working feverishly in an effort to bring about reorganization that will restore the financial stability of the state. Since the original crash it has been possible to salvage at least 50 of the suspended banks, and reorganization

is still in progress that may safeguard the interests of creditors and depositors in many others. According to the insurance commissioner, recent negotiations by the Home Life have placed that institution again upon a solid basis, safeguarding the interests of policyholders.

Banks Out of the Picture

But so far as administrative or other direct connection is concerned, A. B. Banks is out of the picture. At the age of 65 he has returned to his old home town, Fordyce, with the announcement that he proposes to begin all over again and to stage a comeback. In a statement made before a group of his fellow townsmen he said that he is bankrupt, that he has only \$500 and his home left out of the wreck, and that he is carrying \$1,600,000 in life insurance which he hopes his creditors will assist in maintaining by payment of premiums for self-protection. Fifty years ago he began life as a tinner at Fordyce and his spectacular rise to financial power has covered a period of more than 40 years.

Starts Over Again

Early in his life he taught school, was later engaged in the building and loan business, out of which developed the insurance business. He has always been active in public affairs and was a delegate to the constitutional convention in 1918. In 1900 the Home Life and Accident was incorporated, becoming the nucleus around which the three companies were established later. The Home Fire was considered one of the strongest in the south and was operating in 13 states at the time of the receivership. Prior to the financial debacle in which he and his associates became involved his personal fortune was estimated at \$5,000,000. The blow has naturally been a most severe one, but he assures his friends that he is not yet "down and out," but that beginning in a small way he hopes to retrieve his fallen fortunes.

Wilson Elected President of New York State Group

NEW YORK, Jan. 14.—W. D. Wilson, special agent of the Niagara, was elected president of the Underwriters Association of New York State at its annual meeting in Syracuse, Tuesday. Other officers chosen were: H. B. Nugent, Aetna, first vice-president; A. J. Halsay, Continental, second vice-president; H. L. Caruthers, Phoenix of Hartford, executive chairman.

Members of the executive committee for three years: E. L. Smith, Automobile; J. W. Summers, Home, and H. W. Smith, American Central.

Following the election the nearly 250 members present were addressed by J. R. Dumont, manager Interstate Underwriters Board, on the writing of "Countrywide Insurance."

The annual summer meeting will be held at Saranac Lake, July 7-8.

Madison Board Meets

MADISON, WIS., Jan. 14.—R. J. Neckerman was reelected president of the Madison Board of Fire & Casualty Underwriters at its annual meeting. Other officers elected were R. M. Bergh, vice-president, and W. F. Schar, secretary-treasurer. Three directors elected for three-year terms were: P. O. Fish, succeeding A. W. Schulkamp; Reid Bergh, succeeding J. M. O'Malley, and Mr. Neckerman, succeeding himself.

S. T. Bailey, Bailey Insurance Agency, Louisville, is one of the nominees for directors of the Louisville board of trade.

state agent Great American, who recently celebrated 50 years service in insurance. Aside from Mr. Street there were present from the Great American, Assistant Manager G. B. Sedgwick, Agency Superintendents C. H. Ingram and C. G. Classen; I. S. McCurdy, superintendent survey department; T. E. Ellis, chief accountant, Field Superintendent C. F. McAdow, State Agent Walter Harvey and Special Agent G. H. Carr of Iowa and State Agent Huggard of Ohio and all the Illinois field men. L. M. Linnell, who is secretary of the Great Lakes and former Great American examiner, was present. Agency Superintendents C. J. Lingenfelder and T. M. Underwood and Automobile Superintendent J. P. Guy of the America Fore were present.

W. H. Potter, Cook county manager of the Phoenix of Hartford and former Illinois field man, spoke for the Cook county field organization. A large bouquet of flowers was given Mr. Wright by the women of the Great American office. There were 140 present, including field men and some local agents. Simon Stoffel, local agent at West McHenry, was introduced, he celebrating his 75th birthday anniversary the night of the banquet.

Murphy Is Eastern Manager

W. T. Murphy has been appointed eastern manager of the Rough Notes Company, with headquarters in New York City. For the past two years Mr. Murphy has represented the company in the west and southwest, with headquarters in Kansas City.

Indiana Insurance Day Is Expected to Draw Crowd

FINE PROGRAM IS ANNOUNCED

Meetings of Several Organizations Are Scheduled—City's Agents to Act as Hosts

The completed program of Indiana Insurance Day, to be held in Indianapolis, Jan. 20, is announced by R. E. Coffin, general chairman, as follows:

Tuesday evening there will be a number of group dinners, the largest of which no doubt will be that planned by the Indianapolis Fire Insurance Agents' Association for all visiting members of the Indiana Association of Insurance Agents. W. B. Calhoun, Milwaukee, chairman the executive committee National Association of Insurance Agents, will be present and speak.

Several Meetings Planned

Just preceding this will be held the postponed annual meeting of the Indianapolis association and officers will be elected. E. W. Hoover is now president, and J. W. Stickney secretary.

Frank A. Tedford of LaFayette, president of the Indiana Association of Insurance Agents announces that a mid-

year meeting of the state body will be held.

Registration starts Monday morning. The fire and casualty section starting at 9 a. m. Tuesday will be welcomed by J. A. Bowden, president Indiana Insurance Federation. On the morning program are W. S. Foster, assistant manager North America, western department, Chicago, on "Prospective Earnings Insurance"; E. J. Schofield, vice-president Globe Indemnity, Newark, on "Casualty Insurance." An open forum will start at 11 o'clock. At 12:30 there will be a joint luncheon with Commissioner J. C. Kidd, Indiana legislators also having been invited, and an address by F. S. Dickson of Chicago, counsel National Board.

Federation to Hold Meeting

The annual meeting of the federation will start at 2 o'clock, when committee reports will be made, the F. M. Chandler trophy awarded and officers elected.

The Indianapolis association will give a dinner for visiting members of the state association and there will be a grand ball following, with music by a nationally known band. It is expected that attendance will be about 1,000.

Miscellaneous Notes

R. T. O'Brien has purchased the Phelps Insurance Agency, McGregor, Ia.

The Republic of Dallas has been licensed in New York. It is a member of the Globe Underwriters Exchange group.

Leading Company Stocks Sound, Says T. F. Ryan

SAN FRANCISCO, Jan. 14.—Financial statisticians of San Francisco were given a glimpse into the financial standing of the insurance business as a whole by T. F. Ryan, assistant secretary Fireman's Fund group, who addressed them at a recent meeting here. Mr. Ryan is the author of a series of lectures on "Underwriting Losses and Investment Profits."

Mr. Ryan stressed the sound financial condition of leading insurance company stocks. "Late market quotations of many of our leading companies' stocks reflect an under-valuation, a value that has more than discounted deflation, and many wise investment buyers are making purchases that will later pay handsomely," he said.

It is typical of insurance as a business, that dividends to stockholders are almost entirely paid from interest earned, he said. "Interest earnings of the old and well established companies after payment of dividends to their stockholders, will more than off-set their underwriting losses, and with such diversified holdings as real estate, mortgage loans, bonds, preferred and common stock, it is doubtful, even with a reduced surplus, if depreciation will bring about other than a paper loss."

New Jersey Agents Calm Over Commission Decision

MANAGERS STILL DOUBTFUL

May Mean Spread of Similar Legislation to Other States—Affects Excess Companies

NEW YORK, Jan. 14.—According to field reports New Jersey agents are not excited over the recent important decision of the United States Supreme Court upholding the validity of the states uniform commission law, although the majority of company managers are concerned over the matter. The local men feel that the only effect of the decision will be to continue a practice that has been followed for the past three years. It will affect some of the free lance companies that have been paying excess commissions in the hope that if the statute was declared unconstitutional and there was a radical revising of commissions, they would be well entrenched to hold business already upon their books. Now that the final legal authority of the land has spoken existing commission arrangements are likely to stand for an indefinite period in so far as New Jersey is concerned. That similar legislation will be proposed in adjoining commonwealths is the confident prediction and it is this thought that is worrying the managerial mind.

Sixty Percent Written Outside

It is figured that approximately 60 percent of the fire insurance business written in New Jersey is controlled by either New York City or Philadelphia brokers, the remaining 40 percent being handled by the agents resident in the state. What the local men would like to see would be the enactment of a law that would lessen the competition from outside sources and permit of wider scope for agents domiciled in the state. A particular source of their complaint is that they have to meet the activities of salaried employees of companies who reside in New Jersey and are privileged to write business for their respective companies "on the side."

Two Veteran Field Men Are Retiring from Service

Two veteran highly respected men are retiring from active service in the Crum & Forster field organization, they being S. W. Warner, of Chicago, who has been state agent in Indiana for a number of years, and George R. Crosley, of Webster City, Ia., who has been acting in a similar capacity for the Western Assurance, British America and Allemannia in Iowa. Mr. Crosley recently retired as president of the Life Members Society of the Fire Underwriters Association of the Northwest. Both have been faithful and hard working field men and are retired on a liberal pension. They have been loyal to their organization up and down the line.

FARMER COLLECTS FOR LOSS ON BARN AFTER TRANSFER

Walter Wohit, a Fremont, Wis., farmer, has secured a verdict of \$2,000 against the Home Mutual of Seymour in the circuit court of Appleton. His barn was destroyed by a windstorm last May. Prior to the storm title had been transferred to his brother. The Home Mutual contended that it had not been properly notified. The transfer was in consideration of another piece of property which the brother was later unable to deliver. The plaintiff contended that for this reason he still held an insurable interest in the barn and was entitled to pay for the loss. The court upheld his contention.

A Message to Insurance Women

FROM JEAN GREENE

"Anonymous" writes in from Chicago saying that the business in their Agency has been steadily falling off during the year and she is afraid that before very long she will be hunting another position. She confides that her fear is caused by the fact that the boss (who knows the business from A to Z) makes no effort to go out and sell: says he has no selling ability! "However", she concludes, "the man across the street (a newcomer in the insurance business) is out ringing doorbells all day long and is getting quite prosperous!"

Dear 'Nony': Dispel that attitude of gloom. Knowledge of a line is ninety per cent. of selling. Call up our Field Man and tip him off to the situation. He will be glad to show your boss how it's done. He's a whiz at selling U and O, and now that general business conditions are improving, there is a growing demand for it. Not only does it pay big dividends, but it secures the account against competition, and assures YOU of your position!

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FIREMAN'S FUND RALLY

A roundup of more than 30 field men in the western department of the Fireman's Fund is to be held in Chicago, Jan. 20-22 at the Union League Club. Eugene F. Hord, vice-president and general manager of the Fireman's Fund Indemnity, is in Chicago and will participate in the gathering. Edward T. Cairns, vice-president of the Fireman's Fund is planning to attend. The meeting will be under the supervision of S. M. Buck, western manager of the Fireman's Fund.

A gathering of eastern department field men has been held in Boston and a southeastern rally is taking place this week. Early in February the Pacific coast men will convene.

POGGE, KELLY REASSOCIATED

J. Frank Kelly, who has been conducting his class 1 business in connection with C. A. Mavon & Co., has become reassociated with R. C. Pogge and the partners will operate under the title of Pogge & Kelly. Mr. Kelly was formerly associated in the agency of Pogge & Lewis, which was dissolved about four years ago, dividing into R. C. Pogge & Co. and Lewis & Kelly, the latter firm dissolving about a year ago.

Mr. Kelly brings with him to the consolidated agency the Potomac, Netherlands and Empire. Mr. Pogge's fire companies were the Allemania, Merchants of Providence and Merchants of Denver. He also represents the New York Indemnity and the Commonwealth Casualty.

MAVON & CO. OPEN DEPARTMENT

G. A. Mavon & Co., Insurance Exchange, has opened a new department for reinsurance and outside brokerage and has appointed W. E. Smith, formerly of the western department of the Universal Fire in charge of its reinsurance and brokerage department to manage these activities. Mr. Smith is well known in Cook county, has had long experience in agency work and has been in fire insurance there about 35 years. At one time he was with Douglas Brothers, which was largely a reinsurance and brokerage office. He has been with the Universal since the opening of the department. Mavon & Co. is general agent for several companies in the middle west.

BROKERS' COMMITTEE NAMED

A legislative committee of seven leading Chicago brokers has been named by President F. P. Lavin at a special meeting of the Brokers Association of Illinois Jan. 9, to carry on the work of securing passage of the new qualification bill of the brokers in the coming legislature. The bill is ready for presentation. It is expected that the Insurance Federation of Illinois, Illinois Association of Insurance Agents and other organizations will join in this effort and in addition the association will carry on independent publicity directed toward individual assemblymen. Members of the committee are: F. D. Wallace, chairman pro tem, Sheldon Dickinson, Martin Johnson, J. J. Garrity, Fred Bracken, Robert Throop and Gale Reed.

AGENCIES IN CONSOLIDATION

Consolidation of the O. W. Huncke agency and the Blair & Hailand agency which have been next door neighbors in the Insurance Exchange building, is announced. The combined plant will operate under the title of O. W. Huncke, Blair, Hailand Co. A fourth member of the company will be G. B. Davidson, who has been associated with Mr. Huncke, and who has been ill for some time.

The new agency contains much talent. Mr. Huncke has had 34 years' experience in the business, starting as an office boy in the old western department of the Orient and London & Lancashire,



O. W. HUNCKE

later joining Conkling, Price & Webb, and since 1903 having been the proprietor of his own brokerage and class 1 agency business. He represented the United Surety in 1906 and later the Bankers Surety of Cleveland. Since 1910 he has represented the Southern Surety.

Blair, Hailand & Co. has been in operation for about five years. It was formed by C. B. Blair, an experienced insurance man, who had seen service in the office of the Queen, Millers National, Johnson & Higgins and R. A. Corroon & Co., and A. G. Hailand, who had valuable banking experience before entering the insurance business five years ago.

The quarters of the two agencies on the 19th floor of the Insurance Exchange will be physically consolidated.

SMITH IS VICE-PRESIDENT

H. D. Smith, who has been associated with the Chicago office of Marsh & McLennan for a number of years, has been elected a vice-president of that organization. Mr. Smith graduated from Harvard in 1921 and before going with Marsh & McLennan was a vice-president of the Northern Trust Company of Chicago.

PETERSON NEW BOARD MEMBER

H. A. Peterson has succeeded to the Class I membership in the Chicago Board which was held by G. W. Brinsmaid, formerly of the Western of Fort Scott, who has resigned.

BROKERS PROTEST PLAN

In line with authorization given by members of the Insurance Brokers Association of Illinois at a special meeting Jan. 9, the organization has transmitted a letter to the Chicago Board outlining objections to the new balance collection plan, claiming that it is a breach of a very definite understanding between the association's Manager Palmer and Associate Manager Glidden.

A year ago when old disagreements were patched up between the brokers and the Chicago Board, there was an agreement that there would be no further changes in rules or other matters affecting brokers without preliminary conference with them.

Many objections to the collection plan are raised, although the association favors prompt payment and any equitable plan. It is held the proposal interferes with individual right of contract of brokers as to terms of credit, is arbitrary and makes no provision for special conditions. The association refuses to recognize the board's right to rule on collections except on fire and tornado.

EXPLOSION

is not always due to dynamite or gunpowder. There are dozens of equally potent causes of explosion... and every home, store and factory is threatened. The hazard, moreover, is plainly on the rise.

Even though YOUR property may be comparatively safe, there is always the danger of an explosion nearby. It is by no means uncommon for a bad explosion to severely damage buildings a considerable distance away.

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4. Prospective Earnings—if you expect your business to pay its way and a profit during the coming year.
5. Leasehold Interest—if you hold a valuable lease.

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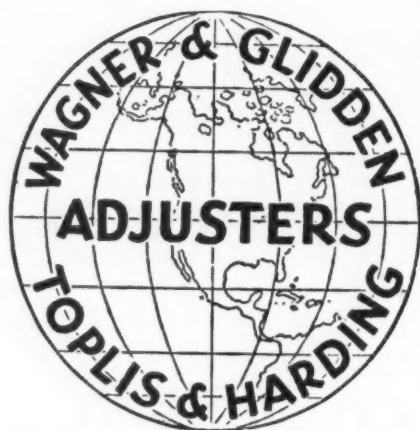
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It is stated there are no compensating benefits to brokers because they will not be entitled in turn to information as to financial status of Class 1 members or companies. It is claimed that unless the plan comprehends a time limit on payments which larger offices, companies and brokers may extend to assureds, all brokers must suffer in competition.

F. P. Lavin, the association's president, says the brokers' qualification bill which has been drafted and will be presented to the Illinois legislature next session, carries all the provisions for collection that companies could desire. Mr. Lavin points out that most Chicago brokers for years have operated under verbal agreements permitting 90 days, which custom has established as a rule. He says the board can not speak for brokers as it does for agents. He says the tendency of all credit systems is to curtail business and if brokers are tied up to unduly strict credit limitations they will lose business.

* * * NATIONAL INSURANCE EXHIBIT

The Chicago Board has called upon the National Board to assume responsibility for the insurance exhibit at the Century of Progress Exhibition in Chicago in 1933. This invitation was decided upon in view of the fact that the exhibition is to be conducted on a national scale from a national viewpoint.

* * * BASKETBALL SEASON OPENS

The season in the Chicago insurance basketball league at the North Avenue-Larrabee Y. M. C. A. has opened auspiciously. There are six teams, Moore, Case Lyman & Hubbard, Marsh & McLennan, Employers Liability, Hartford Fire, Zurich and Chicago Board. Officials are: President, W. F. Kuffel, Chicago Board; vice-president, George Hendrickson, Hartford; executive secretary, R. N. Moore, Employers Liability; with J. A. Duffield and J. J. Johansen, secretary, of the Y. M. C. A. as ex-officio members. There is no admission charge to the games. The schedule calls for three games every Saturday, starting Jan. 10 and ending Mar. 14, the first at 1:45 p. m., second at 2:45 and third 3:45. The three games scheduled Jan. 17 are between Employers Liability and Hartford, Zurich and Marsh & McLennan, and Moore Case and Chicago Board.

The remaining schedule is: Jan. 24, Chicago Board and Zurich, Moore Case and Employers, Marsh & McLennan and Hartford; Jan. 31, Moore, Case and Chicago Board, Hartford and Employers, Zurich and Marsh & McLennan; Feb. 7, Marsh & McLennan and Hartford, Chicago Board and Zurich, Moore, Case and Employers; Feb. 14, Employers and Zurich, Marsh & McLennan and Chicago Board, Moore, Case and Hartford; Feb. 21, Moore, Case and Zurich, Hartford and Chicago Board, Employers and Marsh & McLennan; Feb. 28, Marsh & McLennan and Chicago Board, Moore, Case and Hartford, Employers and Zurich; Mar. 7, Zurich and Hartford, Moore, Case and Marsh & McLennan, Chicago Board and Employers; Mar. 14, Employers and Marsh & McLennan, Moore, Case and Zurich, Hartford and Chicago Board.

* * * DEPARTMENT TO CONTINUE

THE NATIONAL UNDERWRITER was at fault in stating that the western department of the General of Seattle group at Chicago was being discontinued. The only change is that there are some adjustments in the underwriting. Heretofore there had been duplication of work in Chicago and the head office. This was found to be undesirable and too expensive. Hereafter the actual underwriting details that have been transacted at Chicago for a considerable territory will be taken care of at the head office. Otherwise the department remains as it is under the supervision of C. W. Davis and his associates. Mr. Davis is a highly esteemed field man who has developed a considerable business for his organiza-

Atlanta Department Ran to Doll House Fire

ATLANTA, GA., Jan. 14.—The most unusual call to the Atlanta fire department in 1930 was to extinguish a blaze in a little girl's doll house. The child saved the dolls and furniture but the firemen arrived too late to save the home, which had been modeled after a modern residence. The firemen made the customary report and added "one doll house completely destroyed, origin of fire undetermined."

The western office will be continued at 300 West Adams street. Mr. Davis has jurisdiction over a number of central western states and also has charge of Chicago and Cook county.

* * * DICKINSON IN EXCHANGE

S. L. Dickinson, Chicago broker who has been in insurance for 21 years and had offices for a long time in the Federal Reserve building, has moved to A-1329 Insurance Exchange. Mr. Dickinson is active in the Insurance Brokers Association of Illinois and is now on the board. He operates an independent brokerage office.

* * * W. U. A. MEMBERSHIP CHANGES

H. E. Everett, vice-president of the Michigan Fire & Marine, becomes the member of the Western Underwriters Association for that company. F. L. Stabler, who recently resigned as assistant United States manager of the Svea, resigns his Western Underwriters Association membership, it now being held by J. M. Wennstrom, United States manager.

* * * ROWE TAKES NEW POST

F. B. Rowe, who has been in charge of the inland marine department of the National Union in its Chicago office, has resigned as of Jan. 15 to become associated with R. M. Simpson in the management of the western office of Luttrell, Newhouse & Sayer of Chicago, general agents of the all-risks department of the Home of New York in the territory east of the Mississippi, including Canada, and general agents for all marine lines of the Halifax in the same territory. Mr. Rowe will be in the New York office of the organization for the next two weeks familiarizing himself with the various aspects of his connection.

* * * EXAMINERS TO HEAR BATTEY

R. H. Battey, assistant vice-president of the Lloyd-Thomas Company of Chicago, appraisal engineers, will be the speaker at the meeting of the Examiners' Club of Chicago Feb. 19. Mr. Battey will discuss the relation of appraisals to fire insurance.

* * * JOINS BRAND & CO. STAFF

H. D. Peterson of C. M. Varde & Co., Chicago general insurance agency, has been elected a vice-president of E. J. Brand & Co., Chicago general agent Lincoln National Life of Fort Wayne, Ind. The Varde office has taken a stock interest in Brand & Co., Mr. Peterson becoming its representative in the latter's staff and on the board.

* * * NORWICH UNION CONFERENCE

The western department field men of the Norwich Union are gathered at the Stevens hotel in Chicago this week for the annual conference with Manager Hart Darlington and General Agent W. M. Frink in attendance from the home office.

The agency of Osborn & Lange of Chicago has been appointed Cook county general agent for the inland marine department of the National Union.

New York Standard Policy Change Now Being Sought

TROY, N. Y., GROUP IS ACTIVE

Company Officials Claim that the Special Complaint of Revisionists Is Unfounded

NEW YORK, Jan. 14.—Contending that various clauses of the New York standard form of fire insurance policy operate to the detriment of the assured under certain circumstances, a group of Troy citizens is planning a campaign for a revision of the contract, holding that it should be so simple in its terms that "he who runs may read."

The special complaint against the form in use, which was adopted in January, 1912, succeeding that devised some 20 years previously, is "that if an insurance company can prove the presence of more than a quart of gasoline in an apartment house or store from which fire originates, even though placed there by a tenant without the owner's knowledge, insurance can not be collected unless in a rider clause in the policy the use of gasoline is permitted for business purposes."

How any such idea gained currency is a mystery to fire underwriters, for no court in the land would hold a landlord responsible for an act of which he was wholly ignorant. The voidance of a policy by any act of the assured, whereby the hazard of a risk is increased is another matter, and refusal on the part of an insurance company under such circumstances to admit liability would not only be in accord with the terms of the contract, but would be in the interest of public policy, the willful increasing of a hazard tending to jeopardize not only the destruction of the property in question, but other buildings as well, and perhaps resulting in the loss of life.

When the present New York policy was adopted 18 years ago, it was through a series of compromises, many underwriters as well as assureds taking exception to particular proposed provisions and insisting upon the substitution of others. The present policy is not all that could be desired, and it is doubtful if such a form could ever be drafted. The contract, however, meets the general view more nearly than any other suggested thus far, and to justify a change more logical arguments than those credited the Troy citizens will have to be forthcoming. Any marked revision of a policy contract means that at least ten years must elapse before the new provisions can be interpreted by the courts, hence the disinclination of company officials to endorse contract changes.

Issues Service Handbook

The Special Libraries Association, a national organization composed of the librarians of the important banks, insurance companies, publishers, and business concerns of all sorts, has compiled a "Handbook of Commercial and Financial Information Services."

This new handbook lists 214 important services, describing the type of information each offers, its cost and frequency of publication. The introduction contains a functional analysis and an appraisal of the services by experts in the fields of finance, sales, advertising and insurance.

This is the only handbook of its kind. Price \$2. Copies may be secured from Special Libraries Association, 11 Nisbet street, Providence, R. I.

Herendeen Department Counsel

Walter B. Herendeen of Elmira has been named by Superintendent T. F. Behan as counsel of the New York insurance department.

He succeeds Charles P. Butler, recently appointed third deputy in charge of the New York City office.

Status of Bank Agency in Receivership

In view of the many bank failures involving in one way or another bank agencies, THE NATIONAL UNDERWRITER has received a number of inquiries on the decision of the Michigan supreme court in the case of Frank F. Glerum vs. James L. Spencer, an article about which was published early in September. Companies are interested in the applicability of the decision to similar cases in other states.

The decision was that the premiums collected by the bank agency and deposited in the bank were not subject to the claims of general creditors of the bank in a receivership, inasmuch as the bank held the funds in a fiduciary capacity as trustee for the insurance company.

Frank F. Glerum and James L. Spencer were copartners operating a private bank at Linden, Mich. Glerum was agent for the Home of New York. Spencer was agent of another insurance company. The partnership itself was agent of other insurance companies.

Bank Became Insolvent

The bank became insolvent and a bill was filed to wind up its affairs. A receiver was appointed and the Home by its state agent filed an amended petition in the circuit court of Genesee county setting up that premiums which Glerum had collected aggregating \$164 belonged to the insurance company. The

company maintained that Glerum received the funds in a fiduciary capacity and held them in trust and that the monies so deposited in the bank never became the property of the bank but remained the property of the insurance company.

The receiver took possession of the assets of the bank, subject to the rights of the insurance company, and the insurance company asked for a hearing upon the petition and that the receiver be directed to pay \$164 to the insurance company. The circuit court entered an order denying the petition.

The supreme court quoted the statute under which it is held that an insurance agent receives payment of premiums in a fiduciary capacity.

"Any money," the statute reads, "substitute for money or thing of value whatsoever, received by any agent, solicitor or broker as premium or return premium, on or under any policy of insurance or application therefor, shall be deemed to have been received by such agent, solicitor or broker in his fiduciary capacity." Sec. 10, Subdiv. 3, Chapt. IV, Part II, Act. No. 256 P. A. 1917, Cahill's Ann. Supp. 1922, C. L. of Mich. Par. 9100 (118).

The supreme court also quoted the decision in Central National Bank vs. Connecticut Mutual 104 U. S. 54 and Union Stock Yards Bank v. Gillespie, 137 U. S. 411.

Late News from the Casualty Field

Reelected for the 32nd Year

Isaac Miller Hamilton Is Again Elected President of the Federal Life of Chicago

The directors of the Federal Life of Chicago reelected Isaac Miller Hamilton president for the 32nd consecutive year this week. L. D. Cavanaugh, vice-president and actuary, has been elected executive vice-president. He has been connected with the company for 17 years. He is a director and a member of the finance and executive committees. George H. Barmore, vice-president and superintendent of life agents and assistant superintendent of accident and health agents, becomes vice-president and superintendent of agents, taking agency charge of both departments.

E. C. Budlong, vice-president and superintendent of agents of the accident and health department and assistant superintendent of agents of the life department, was elected vice-president and director of education. These changes are due to a desire on part of the management for more intensive training and increased production in both departments.

T. L. Anderson, formerly actuary of the Illinois department, who some months ago was elected assistant actuary of the Federal Life, was chosen assistant secretary and put in charge of accident and health claims. He succeeds Ernest Freeman, who becomes general agent at Atlanta.

COMMISSIONER READ TO BE HONORED AT BANQUET

OKLAHOMA CITY, Jan. 14.—Inasmuch as Insurance Commissioner J. G. Read becomes president of the National Convention of Insurance Commissioners following the resignation of Commissioner C. C. Wysong of Indiana, who was the head of the organization, the insurance fraternity of the state will honor the head of its insurance department. All insurance interests have united to give Mr. Read a

banquet to be held in this city Jan. 26. Edwin Starkey, vice-president Mid-Continent Life, represents life insurance; J. E. Wilkinson, fire insurance, and J. S. Adams, casualty and surety.

Exchange Manager Acts

NEW YORK, Jan. 14.—All fire companies operating in the territory of the New York Fire Insurance Exchange have been asked by H. M. Hess, its manager, to list with him, over the signature of their chief executives, the names and addresses of all persons authorized to sign policies in exchange jurisdiction since Oct. 1.

Hoest's Former Connection

THE NATIONAL UNDERWRITER erroneously reported that R. E. Hoest, now Cook county special agent for the Firemen's, was formerly a partner in the Chicago local agency of George R. Struckmann & Co. Mr. Hoest was a special agent but not a member of the agency, Mr. Struckmann explains.

The December fire loss for New Jersey has been estimated at \$725,000, the highest since June when it was \$986,000.

Convention Dates

Jan. 20—Indiana Insurance Day, Indianapolis.
Jan. 27—South Dakota Agents, Sioux Falls.
March 16—National Association of Insurance Agents (mid-year), Nashville, Tenn.
March 26-27—Florida Agents, Orlando.
April 21-22—Western Underwriters Association, Atlantic City.
May 5—Association of Casualty & Surety Executives, New York.
May 7-8—Alabama Agents, Gadsden.
May 12—National Fire Protection Association, Toronto.
May 25-27—Health & Accident Underwriters Conference, Washington.
May 28-29—Tennessee Fire Underwriters Association, Signal Mountain.
June 15-16—North Carolina Agents, Asheville.
June 22-24—New England Agents, Poland Springs, Me.
Sept. 21—National Association of Insurance Agents, Los Angeles.
Sept. 29-Oct. 1—Casualty Conventions, White Sulphur Springs.
Oct. 4-7—Insurance Advertising Conference, Toronto.
Oct. 12-16—National Safety Congress, Chicago.

Stressing of Service Urged on Stock Companies' Agents

LARKINS AND STOFFT TALK

Speakers Before Insurance Club of Minneapolis Talk on Methods of Meeting Mutual Competition

MINNEAPOLIS, Jan. 14.—Mutual competition isn't any harder than any other kind of competition, members of the Insurance Club of Minneapolis were told at their bi-weekly luncheon. Thomas Larkins, former Wisconsin state agent for the Hartford Fire and now adjuster for the Hartford, who started in as a mutual solicitor in 1906, said the mutual solicitor has only one argument, that of cost. He doesn't stress service, an essential factor in insurance. He advised agents to stress the value of service, declaring that it is the essential factor. "You are interested in satisfaction and service," he said, "when you are in need of insurance."

Better Quality, Better Service

A. H. Stofft, resident manager Ocean Accident and Columbia Casualty, made it plain that "we have no quarrel with the mutuals except that we believe we have better quality of insurance and better service. Mr. Stofft quoted figures showing that the reserve of the mutuals is below that of stock companies, concluding that the mutuals do not offer the financial security of stock carriers."

Minnesota, said the speaker, is more subject to mutual competition than any other section of the United States. The agent on the firing line has to be more alert than ever and develop his organization better to get his share of the business, Mr. Stofft pointed out. He advised agents to keep closer contact with their clients.

Keep in Touch With Clients

Agents should see their clients at least 20 days before the renewal date instead of merely mailing a renewal contract, expecting to obtain the business by this method, Mr. Stofft advised. He urged members of the club to post themselves on facts and figures about mutual companies in order to meet their competition. Generalities are worthless, he said. L. C. Delaney, chairman of the mutual competition information committee, presided at the meeting. John Phillips of St. Paul, secretary of the industrial commission, is booked to address the club Jan. 20.

J. R. Wilbur Is Honored

The America Fore western department gave a luncheon this week at Chicago in honor of the retiring vice-president, J. R. Wilbur, who has been head of the department. He was presented with a moving picture camera and projector, the presentation address being given by T. J. Lilly, state adjuster in Minnesota, and dean of the old Continental employees. The luncheon was attended by all the officers and department heads in the western branch and many of the "old guard" of the Continental organization with which Mr. Wilbur has been identified for so many years.

Smiley's Duties Enlarged

NEW YORK, Jan. 14.—R. W. Smiley, for several years manager of the advertising department of the Globe Indemnity, hereafter also will direct publicity of its associated institutions, the Royal Fire, Liverpool & London & Globe, Royal Indemnity and Eagle Indemnity companies.

North America's Dividend

In addition to the regular semi-annual dividend of \$1 the North America has declared an extra dividend of 50 cents a share.

More Light

THE long-established commercial rating agencies have furnished financial information for years. Banks and insurance companies are audited regularly. The Audit Bureau of Circulations performs a similar function for advertisers by collecting and verifying circulation information.

The facts embodied in our A. B. C. report are those which you, Mr. Advertiser, want to know—facts that you must know to buy space intelligently.

You cannot afford the time or expense necessary to make your own investigation. Nor can you afford to accept a Post Office statement or other unverified statements of the publishers.

Therefore, the uniform, easily-accessible A. B. C. form, packed with complete and dependable data, is a ready solution to the problem how to locate the most desirable advertising mediums with the minimum of effort and expense and with the utmost assurance of receiving 100% value for every dollar invested.

The National Underwriter is a member of the A. B. C.

The National Underwriter

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

The leading weekly insurance newspaper

Giberson's Comparative Exhibit

J. A. Giberson of Alton, Ill., gets out every year a comparative statement showing percentages of various expense items to the total of his business. He also gives the distribution of premiums by classes. He has completed his statement for 1930 and gives it in comparison with the three preceding years.

EXPENSE PERCENTAGE STATEMENT

	1930	1929	1928	1927
*Salaries .....	.057	.0512	.0551	.0595
Rent, Light and Heat.....	.0078	.0075	.0067	.0072
Advertising .....	.0034	.0074	.0038	.0037
Postage, Telegrams and Telephones.....	.0038	.0042	.003	.0032
Auto. Expense, Inc. Insurance.....	.0136	.0095	.0091	.0076
Traveling Exp., Dues and Subscription.....	.0053	.0065	.006	.0059
Profit and Loss.....	.0029	.0044	.0037	.0026
Depreciation .....	.0062	.0054	.0067	.0057
Office Stationery and Supplies.....	.0015	.003	.0037	.0024
General Expense .....	.0025	.0034	.0042	.0045
Brokers and Sub-agents.....	.0163	.015	.022	.019
	.1203	.1180	.124	.1213

PERCENTAGE DISTRIBUTION OF PREMIUMS BY CLASSES

	1930	1929	1928	1927
Fire .....	.252	.26	.28	.315
Tornado .....	.077	.062	.063	.081
Plate Glass .....	.005	.006	.007	.007
Burglary .....	.31	.027	.019	.023
Automobile .....	.231	.254	.257	.243
Personal Accident .....	.066	.067	.065	.076
Compensation and Liability.....	.225	.225	.186	.127
Bonds .....	.012	.01	.026	.024
Life .....	.075	.06	.061	.072
Miscellaneous .....	.026	.029	.036	.032
	100%	100%	100%	100%

Total volume of premiums 8 1/2% less in 1930 than 1929.

*Not for owners.

Taggart in Conflict with Liquidator of a Mutual

A conflict has developed between Commissioner Taggart of Pennsylvania and the liquidator of the National Lumber Mutual of Chicago as to the assessment notices which have been sent to Pennsylvania policyholders whose contracts with the company were nonassessable. Colonel Taggart reports that the attorney general's department has advised that these policies were not subject to assessments and the Pennsylvania assureds were not liable for additional premium payments.

The National Lumber Mutual was placed in the hands of a receiver in June, 1928. The company was put in the hands of Alvin S. Keys as liquidator.

The company was admitted in Pennsylvania and wrote contracts on the cash premium basis without assessment features. Under the order of the superior court of Cook county, assessments were levied and notices mailed to Pennsylvania policyholders.

The Pennsylvania department has asked the liquidator to withdraw all Pennsylvania assessment notices, which he has refused to do, and for that reason public notice of the matter was given.

Amounts of Fire Losses Are Given in Some Foreign Lands

Statistics compiled by the National Fire Protection Association, following a comprehensive research in the matter of fire losses in foreign countries, reveal the following interesting facts: The losses in Great Britain and Ireland for 1929 aggregated \$76,330,378, this figure being based on data from reported fires, with 40 percent added to cover estimated loss from small fires. The per capita loss in London in 1928 was 51 cents and in 1929, 61 cents. The per capita loss in Venice, Italy, in 1928 was 74 cents, while that in Turin was only 12 cents. The per capita loss in Canada in 1928 was \$3.79, and in 1929, \$4.82. Losses in Japan for 1928 amounted to 17,550,843 yen, or about half that number of dollars. German fire losses in 1927 amounted to 50,501,474 marks; in 1928, 62,361,508, and in 1929, 82,678,563 marks.

L. W. Grupe of New York, western general agent of the Northern of England, is on a western trip.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle Street, Chicago, as of Jan. 12.

Stock	Par	Div. per Share	Bid	Asked
A. Lincoln Life..	10	1.20	37	..
Aetna Cas.	10	1.60	78	83
Aetna Fire.....	10	2.00	51	53
Aetna Life.....	10	1.20	61	63
Agricultural ..	25	4.00	85	95
Amer. Alliance..	10	1.60	23	25
American, N. J..	5	1.90	17	19
American Surety	25	6.00	85	90
Automobile ..	10	1.20	30	32
Baltimore Amer.	5	.80	10	12
Boston	100	16.00	500	535
Brooklyn	5	1.20	9	11
Carolina	10	1.50	22	24
City of N. Y....	100	16.00	230	260
Cont. Assur.	10	2.00	63	67
Continental Cas.	10	1.60	32	34
Continental, N. Y.	10	2.40	46	47
Conn. Gen. Life.	10	1.20	115	123
Fidelity & Dep..	50	9.00	135	140
Fidel-Phenix ...	10	2.60	49	50
Fire Assn.	10	1.60	19	20
Firemen's	10	2.20	28	30
Franklin	5	1.60	24	26
Glens Falls	10	1.50	48	50
Globe & Rutgers.	100	24.00	635	675
Great Am. Fire.	10	1.60	24	26
Halifax	10	1.20	18	20
Hanover	10	1.60	31	33
Harmonia	10	1.50	22	25
Hartford Fire...	10	2.90	60	62
Htfd. St. Boiler..	10	1.60	55	60
Home, N. Y.	10	2.00	34	36
Home Fire Sec..	10	...	34	36
Homestead	10	1.00	16	19
Independ. Indem.	5	...	6	8
Independ. Fire..	5	...	6	8
Ins. Co. of N. A.	10	*2.00	54	55
Knickerbocker ..	5	1.50	16	19
Lincoln Nat. Life	10	2.50	69	74
Lincoln, N. Y....	10	2.40	25	30
Merchants, Com.	10	2.00	50	60
Merchants, Pfd.	100	7.00	110	..
Metropolitan, Ill.	10	1.00	8	10
Mo. State Life...	10	1.20	24	26
National Cas....	10	1.20	17	19
National Fire...	10	2.00	55	57
National Liberty	5	.50	8	9 1/2
National Surety.	50	5.00	52	53
National Union.	100	12.00	160	170
New Brunswick.	10	1.50	22	25
New Hampshire.	10	*1.60	44	48
Northern, N. Y..	25	4.00	75	85
North River.....	10	2.00	37	41
N. W. National..	25	5.00	90	100
Peoples Natl....	5	.50	5 1/2	7
Philadelphia Nat.	10	1.20	15	18
Phoenix	10	2.00	68	70
Preferred Accl..	20	3.00	45	50
Prov. Wash.....	10	2.20	44	46
Republic Fire...	10	2.00	11	14
Rossia	10	2.20	20	21
Springfield ..	25	4.50	98	107
St. Paul F. & M.	25	5.00	163	173
Sun Life	100	*25.00	1350	1450
Travelers	100	*24.00	1000	1025
Westchester	10	*2.50	40	45

*Extra dividend paid.

The American Mutual Farm of Minnesota, Minn., is liquidating. All policies have been canceled as of Dec. 10.

NEWS OF THE COMPANIES

Kansas City F. & M. Expands

Birkemeier Assistant Secretary in Charge of Underwriting—Dethke to Supervise New Development

KANSAS CITY, MO., Jan. 14.—W. H. Birkemeier, 14 years with the Hartford Fire, part of the time as chief underwriter for a number of central states including Missouri, is to succeed W. S. Dethke as assistant secretary of the Kansas City Fire & Marine, in full charge of underwriting at the home office.

Plan Illinois Development

Mr. Dethke is to act in the future as special home office representative. He will have charge of Missouri and will also look after development of the company in other states. One of his first duties will be the investigation of Illinois territory, which the company just entered, preparatory to the development of its interests there.

New Directors Elected for Fire Association Carriers

At the annual meeting of the Fire Association, three directors were elected to the board of the fire companies in the fleet and five members were elected to the board of the Constitution Indemnity. Former United States Senator Pepper of Pennsylvania presided at the meeting.

The new directors of the Fire Association, Victory and Reliance are J. G. Maconachy, L. E. Jones and John Gribbel.

The new directors of the Constitution Indemnity are Otho E. Lane, H. W. Butteworth, H. I. Potts, W. A. Law and G. D. Lewis.

In order to correct a defect in notice sent out by stockholders prior to the increase of stock in 1928 from \$3,000,000 to \$10,000,000 in the Fire Association, the stockholders ratified the increase at their annual meeting.

The error was made originally when notice to stockholders was sent out 30 days prior to the meeting at which the proposed increase was acted upon instead of 60 days, as required by Pennsylvania law.

Retail Merchants Mutual Goes to the Millers Mutual

The Retail Merchants Mutual of Springfield, Ill., has been reinsured in the Millers Mutual Fire of Alton, Ill. The Retail Merchants Mutual was organized in 1898. The Millers Mutual has assets of \$2,000,000 and surplus of over \$1,000,000. It was organized in 1877. A branch office of the Millers Mutual is being established at Springfield, in charge of S. R. Walsman, former assistant secretary of the Retail Merchants Mutual.

C. R. McKenrick Resigns

C. R. McKenrick has resigned as secretary-treasurer of the Fidelity & Guaranty Fire, to resume the general practice of law with Bartlett, Poe & Claggett. His successor will be elected at the next meeting of the directors the last of this month.

Lion Extending Field

The Lion of Los Angeles has recently been extending its territory, having been admitted to Illinois, Ohio and Kentucky. It is the intention of the company to write both direct business and reinsurance in Ohio and Kentucky but reinsur-

ance only in Illinois. President I. M. Fisher is now on a trip to the Orient and will not return until March 5.

Reciprocal Is Reinsured

The Lumber Underwriters, a reciprocal at Little Rock, which was involved in the collapse of the A. B. Banks & Co. organization has been taken over by the Lumbermen's Underwriting Alliance and Lumbermen's Underwriters of Kansas City.

Company Notes

The **Kansas City Fire & Marine** has been licensed in Illinois.

The **Lafayette Fire** has declared a semi-annual dividend of 8 percent.

The **Metropolitan Fire** of New York has been admitted to Colorado for reinsurance.

The **Essex Fire** and the **California Union** have been licensed in Michigan, the latter for reinsurance only.

The **Central Fire** of Baltimore has applied for license in the state of Washington.

The **Central Fire** of Baltimore has been licensed in California with McClure Kelly as general agent.

Much Better Tone Is Noted in Insurance Stock Market

Commenting on the insurance stock market situation, H. W. Cornelius of H. W. Cornelius & Co., Chicago, says: "Insurance stocks the past week were decidedly better and a much better feeling existed among the traders in New York and Hartford than for some time. Several angles of the business contributed to this better tone as the New York stocks were higher, so were the bank stocks, and also the bond market showed a great improvement. However, there is a great deal of stress laid on the poor statements to appear, and while these are not to be ignored by any means, it is believed by some that a portion of these have been discounted in advance. The current belief seems to be that there will be a mixture of statements, some showing better than expected, and some showing not so good. Insurance stocks sold slightly lower the last day or two but this was looked upon as a technical reaction.

"The stocks mentioned below show an indication of the general insurance market: Aetna Casualty up 8 points to 78 bid, Aetna Fire 4 points to 51 bid, Aetna Life 8 points to 61 bid, American Alli-

ance 3 points to 23 bid, American Surety 5 points to 85 bid, Boston 10 points to 500 bid, Globe & Rutgers 60 points to 635 bid, Hartford Fire 5 points to 60 bid, Hanover 3 points to 31 bid, Sun Life 100 points to 1350 bid, St. Paul Fire & Marine 5 points to 163 bid, Travelers 25 points to 1000 bid, Westchester Fire 7 points to 40 bid and Missouri State Life 4 points to 24 bid."

Michigan Insurance Directory Shows Growth of State

The new Michigan Insurance Directory is issued from the press of THE NATIONAL UNDERWRITER. This is one of the oldest directories of the kind. It formerly was published every two years but now is published every year. Michigan is one of the important insurance states. The Michigan directory reflects the growth of the business in the state. It is a reference book giving all sorts of insurance information regarding Michigan. There are over 650 pages of text matter including the directory of towns and cities giving agents and their companies. When one desires to find out anything Michigan insurance-wise he consults his Michigan Insurance Directory.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital, \$3,000,000

Net Surplus, \$13,010,813

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital, \$500,000

Net Surplus, \$1,408,098

INCORPORATED 1928

ANCHOR INSURANCE COMPANY

Providence, R. I.

OWNED AND OPERATED BY THE

PROVIDENCE WASHINGTON INSURANCE CO.

Capital, \$1,000,000

Net Surplus, \$808,637

WESTERN DEPARTMENT

175 W. JACKSON BLVD.

CHICAGO

J. R. CASHEL, Manager

ORIENT INSURANCE COMPANY

of Hartford, Connecticut

For fifty-eight years writing
FIRE RIOT
TORNADO EXPLOSION
EARTHQUAKE AUTOMOBILE
INLAND MARINE

GILBERT KINGAN, Pres.

20-22 Trinity St.

Hartford, Connecticut

Western Dept.
CHARLES E. DOX
Manager
223 West Jackson Blvd.
CHICAGO

Pacific Dept.
Wm. W. GILMORE
Manager
332 Pine St.
SAN FRANCISCO

1794 1931

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Assets \$8,010,038.31

Capital \$1,000,000.00

Surplus 3,253,468.39

Policyholders' Surplus \$4,253,468.39

Acquire

THE OLD "STATE OF PENN"

VIEWED FROM NEW YORK

By GEORGE A. WATSON

KIDDER, PEABODY & CO. SUIT

Neither President Wilfred Kurth nor any of his official associates in the Home Fire Securities Corporation seem worried over the suit brought against the organization by Kidder, Peabody & Co. bankers of New York City, though regretting the joining of the Home of New York and other fire companies of the Home group to the action; none of these being concerned. Kidder, Peabody & Co. in their action filed in the New York supreme court allege that Mr. Kurth agreed to purchase from them 60,000 shares of Southern Surety stock at \$27 per share and that he failed to do so. On the other hand it is asserted for Mr. Kurth that his every pledge with respect to taking over the Southern Surety stock was faithfully lived up to and the same holds regarding shares of the Southern Fire. The claim of the investment house will be contested to the limit. The Home Fire Security Corporation has engaged as counsel for that purpose Williamson & Bayles and Sherman & Sterling. It is not anticipated trial of the case will be reached within 12 months.

E. U. A. MEETING

Following a meeting of the executive committee of the Eastern Underwriters Association on Tuesday it was

decided to hold the general meeting of the association Jan. 30.

CONGRATULATION LAST ACT

The last act of H. D. Appleton, former first deputy of the New York department, prior to his sudden death at his home in Albany on Jan. 3 was to call up his friend and long time associate in the New York insurance department, T. F. Behan, and congratulate him upon his appointment as superintendent. Scarcely had he laid down the receiver upon his table when he was stricken, passing away before a hurriedly summoned doctor arrived. Mr. Appleton and S. W. McCulloch, the latter of the Pennsylvania department, were two of the best known and honored figures in supervisory insurance circles, and each had served his respective department for about the same time, 40 years.

TO HOLD REGIONAL MEETING

At the regional meeting of the New York State Association of Local Agents to be held in the Hotel Astor, Jan. 19, the New York Suburban Agents' Association will be organized at the afternoon session, comprising the various suburban groups in proximity to New York. It will affiliate with the state body. Among the speakers will be General Manager Beha of the National Bureau of Casualty & Surety Underwriters; Assistant Manager J. D. Erskine, Eastern Underwriters Association; T. C. Moffatt of Newark, N. J., former National Association of Insurance Agents president; Frank L. Gardner, Poughkeepsie, N. Y., former National president; Albert Dodge of Buffalo, former New York president; T. L. Rogers, president New York association; J. P. Hollerith, secretary North British & Mercantile, and Wellington Potter, Rochester agent. Insurance Superintendent Behan has been asked to attend the meeting.

BIDS WANTED ON

\$10,000
City of Miami, Fla.
Municipal Impr. 5s due 1954
\$10,000
Sarasota County, Fla.
Highway 6s due 1956
\$10,000
City of Bradenton, Fla.
Improvement 6s due 1935-36
\$30,000
Haines City, Fla.
5 1/2s due 1940-45

LOBER BROTHERS & CO.

Members New York Stock Exchange
37 Wall Street New York

OHIO STATE AGENT

High grade field man, able and aggressive, thoroughly familiar all fire and marine and allied coverages, now in service of prominent company in a responsible position, for personal and family reasons desires to return to Ohio and wants connection with strong high class company as State Agent therein. Know territory, agencies and conditions and enjoy a wide acquaintance and many valuable friendships among the older and better agencies. Address S-46, The National Underwriter.

POSITION WANTED

By executive accountant. Wide experience in insurance accounting. Familiar with contracting, publishing, and other lines. Broad business knowledge. Man of integrity and ability. Dependable, helpful, agreeable. Best of references furnished. Address S-43, The National Underwriter.

Insurance Sales Experience

Will qualify the right man for a connection in the financial field, selling participations in leading New York Stock Exchange Securities on monthly payment with life insurance protection. Unusually liberal compensation. Apply in person or by letter.
Room 1215, 39 So. La Salle St., Chicago

Arkansas Receiver in Report

Entanglement of Home Fire, Accident Companies in Arkansas Banks Shown in Schedule

LITTLE ROCK, ARK., Jan. 14.—The schedule of the assets and liabilities of the Home Fire and Accident Companies has been filed with the circuit court by Elmo Walker, receiver, as compiled by F. M. Speakman, actuary, as of November 24, 1930. The assets of the fire company as shown by the books total \$2,177,963 and liabilities \$2,420,954. The assets of the accident company are \$2,626,841 and the liabilities \$3,857,625.

Among the liabilities of the Home Fire is \$229,000, secured by shares in 6 Arkansas banks. The fire company is also liable for assessments on shares in 24 Arkansas banks. Its cash amounts to \$63,867 in 15 Arkansas banks, on the shares of some of which the fire company is liable for assessment.

The book value of the fire company's bond holdings is listed at \$241,143 and its stocks are listed at \$1,404,640. Most of these stocks are in Arkansas banks while a few are in Arkansas lumber companies. Mortgage loans amount to \$12,804.

Cash of the Home Accident amounts to \$184,056 in Arkansas banks. The accident company, likewise, is subject to assessment on the shares of some of the banks in which it had deposits.

Book value of bonds of the accident company are given as \$508,651; stocks as \$1,006,722 including stocks in banks in which the assessment figures and mortgages as \$83,150.

In the liability column of the accident company is \$349,237 for assessments on bank stocks.

Glidden in Explanation of Balance Collection Plan

(CONTINUED FROM PAGE 5)

month in which it was written unless the premiums were remitted. Most companies and offices merely reported "Nothing to report," and none ever canceled a policy, so although the rules are still in force they have not been enforced.

Practically the same system in New York has worked well, largely through a law authorizing revocation of an agent's license if premiums are not reported promptly and also because the New York Fire Insurance Exchange has power to go through the books of an office to see whether policies have been canceled for failure to pay balances.

Mr. Glidden gave experience under the Chicago Board's bond with the National Surety covering unpaid balances under which the surety company reimburses offices for balances more than 120 days old. The premium on this is \$12,600.

Unfair Situation Exists

He pointed out that the surety company really does not pay these claims but they are paid by the Chicago Board and therefore by members, so there is an unfair situation existing in which members who collect balances promptly have to pay the claims of those who are careless.

In the period of five years, Mr. Glidden said, there have been 140 claims in Class 2 for a total of \$18,409, 43 claims in Class 3 for \$6,112 and six claims in Class 4 for \$536. Most of the losses have been in Class 2, he said. In 1930, the Class 2 claims numbered 35, total \$4,690; Class 3, 20 claims, \$2,284, and Class 4, two claims, \$228. He said it probably would be better to go back to the 60-day limit, as the higher the limit the more difficult it is to collect and the worse the abuses.

Mr. Glidden said there would be no occasion for the Chicago Board to enter this problem except in a spirit of helping. He admitted it has been reported to him that the Chicago Board has been referred to as a "Mussolini," but he said, although the board has a great deal of power and in some respects greater power than any other organization in the country, nevertheless, it depends largely on cooperation.

Pot Is Not Big Enough

"It is destructive when we get so many in the business that the pot is not big enough to be divided to satisfy all of them," he said. "They try to get business away from the other fellow. However, this is the root of the problem and one of the fundamentals which cannot be changed. The increase in premiums per year in Cook county is approximately \$1,000,000, and dividing this up among 250 companies gives the proportionate share only about \$4,000 apiece a year, which is not much."

He said there is no intention by the board to take any step which will be a hardship or harmful to the board or board members. However, it has been written into the surety bond that unless a member reports the name of the offending broker or sub-agent, the member cannot later ask for payment of any loss.

Mr. Glidden suggested it might be practical to use a credit symbol based on findings under the board's system of reporting brokers and sub-agents who are slow pay. However, he said, the board will make no move to see such producers until consulting members.

May Try to Check Twisting

"We hope eventually to get beyond the question of balances and to check twisting," he said. "Certainly we should be able to stop a broker or sub-agent from twisting a policy to avoid paying balances. I also have suggested that offices report on casualty premiums as

well, marking them thus. Otherwise there might be a tendency for a broker or sub-agent to pay up his fire balance and hold out on his casualty premiums." However, he emphasized that the board does not now have control over the casualty business or its premiums.

C. C. Hatcher, Jr., assistant manager Cook county department Hartford, newly elected president of the club, presided. R. A. Black of the Northern is secretary. President Hatcher announced his committee chairmen: Membership, D. A. Bickheart, Phoenix of Hartford, past president of the club; relations with the Chicago Board, John Gunderson, Hartford; publicity, F. A. Dapper, Sun, and bad risks, John Butt, Niagara. The February program contemplates a speaker from the Chicago Association of Commerce who will tell of the world's fair, and in March there will be a talk on the traction and subway situation.

FIELD CHANGES

Ohio Farmers Appointments

Cyrus Chapman Is Made State Agent in Wisconsin, and R. V. Haser in Illinois

The Ohio Farmers has decided to plant agencies in Wisconsin, Illinois and Iowa, a field that it can conveniently and successfully handle from its head office in LeRoy, O. Alex Smullan represents the company in Chicago but it has no other agents in the territory. Cyrus R. Chapman of Tomahawk, Wis., has been appointed state agent in his territory. He will handle the affairs of the Ohio Farmers in conjunction with those of the Millers National which he has represented as Wisconsin state agent for some time past.

R. V. Haser of Chicago, special agent of the General of Seattle group, has been appointed special agent of the Ohio Farmers and will travel out of his city. He formerly represented the Ohio Farmers in the field and, therefore, is well acquainted with its officials and policy. He left the company to become special agent for the Meserole group. As soon as he completes the organization in Illinois it is understood that he will undertake the work in Iowa.

Geoffrey L. Hubbard

Geoffrey L. Hubbard has been appointed state agent of the National Union companies for Michigan. Headquarters will be maintained at Grand Rapids. Mr. Hubbard was for many years employed in the office and field by the North America. For the past six years he was manager of the fire department for the Chicago agency of Bartholomay-Darling & Co. Mr. Hubbard succeeds R. N. Mann, resigned.

W. T. Lepper

The appointment of W. T. Lepper as state agent for Vermont is announced by the Aetna Fire. He is a native of Connecticut and has been in the employ of the Aetna Fire for 16 years. During this time he has become familiar with the underwriting details of the company's business and for several years he has devoted considerable time to loss adjustments.

Mr. Lepper will also represent the World Fire & Marine. His headquarters will be in Burlington. The Aetna Fire and the World have heretofore been represented by J. W. Armstrong as state agent for Vermont and New Hampshire. Mr. Armstrong will continue as state agent for New Hampshire, the change being made in order that the companies can more extensively cultivate both states.

"Your Opportunity to Earn More," a free booklet for A&H men. Write The National Underwriter, Cincinnati.

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Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act. March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents.
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50



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Business Papers



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National Publishers
Association

Creative Agency Appointments

It costs about \$25 for a company to make an agency appointment in almost any state and in almost any city or town. With most companies a set of supplies costs at least \$15. To this must be added the time and expense of the field man who makes the appointment. Unless the proper kind of agents are appointed there is a great waste in the indiscriminate sending of supplies to agents who may never become productive. A field man remarked recently that in most of the states that he travels there are at least 100 sets of unopened supplies in various agents' offices.

During these days when companies are struggling desperately to cut down expenses, it would seem to be the part of wisdom to look into this question of careless agency appointments. It is certainly true that many field men are strongly inclined to get into a successful office representing from 10 to 15 of the best companies. They are attracted by the large premium income controlled by the agent, and feel that in some way they may be able to get a portion of it.

In reality, their chances are very slim. The agent is going to continue to give his business to the companies that he has represented for years. He may consent to take the supplies in order to prevent their being given to some other new agent, but at the time he takes them he has no idea of giving the company any business.

There is a great difference between a field man getting his supplies into an office that never gives him any business and making what might be termed a creative appointment. If, for instance, an agent finds that the leading offices in the town are already surfeited with companies, the thing for him to do is to seek out a new man, and teach him how to solicit and handle the details. There is an old saying that there is only so much

business in a town, but this is not necessarily true. There is only so much regular steady business that flows to the agent because merchants and manufacturers feel the need of a certain amount of protection, but there is a great deal of business that may be created. It is safe to say that the premium receipts of any town or city may be increased almost one-third by aggressive agents employing salesmanship methods. It will be found in perhaps most communities that the agents are getting the business by following the lines of least resistance. They are not aggressively soliciting the so-called side lines, such as use and occupancy, tornado, rain, sprinkler leakage, etc.

A field man who appoints a new agent puts into the business a man who, if he is the right sort, is rather likely to go after all business, irrespective of what the other agents in the town may be doing. He cannot expect to have any business walk into his office, because nobody in the town knows that he has an office. In order to gain a footing, therefore, he must get out on the street and hustle. He must conduct an active business getting campaign. If he is coached and trained by the right kind of field man, he can stir up a very considerable amount of business that the other agents in the town have neglected. Field men who make appointments of this kind are doing creative work. They are not only establishing a successful agent but they are doing the other agents in the town a lot of good at the same time. The activities of the new agent invariably stir up the other agents with the result that all are benefited.

SALESMEN don't talk as much as they used to—at least their talk is confined to the actual sales story and not so much to funny stories—*Actua-izer*.

PERSONAL SIDE OF BUSINESS

R. H. Hunter of Rollins, Burdick, Hunter Company of Chicago, who died suddenly in the LaSalle street station in Chicago as he was en route to New York to go abroad, was one of the largest personal producers in the west. Mr. Hunter had a number of exceedingly valuable accounts. He handled insurance for some of the packers, being a brother-in-law of T. E. Wilson, the packer. He had some large marine accounts. Through his influence his firm wrote some extensive group life insurance contracts. He got intimately acquainted with the packing industry when he specialized on that business. Mr. Hunter after a short career in other lines entered the insurance field with the old local agency of D. S. Munger & Co. of Chicago. Later he traveled in the field for the Norwich Union Fire out of Chicago. In civic life he was particularly noted for his activity in the Chicago crime commission, being its vice-president. At one time he was in charge of the insurance department of Nelson Morris & Co., the packers and Fairbank Canning Co.

W. P. Herod, 66, general counsel for the Grain Dealers National Mutual Fire for many years, died in an Indianapolis hospital after a long illness. He was born in Columbus, Ind., and graduated from Yale University. During the world war he served on the general staff of the military intelligence section of the war college in Washington for two years.

The Mason agency of LaSalle, Ill., is now being conducted by the third generation of Masons. Following the death of W. S. Mason, his son, **W. T. Mason**, has taken over the agency, which has been established for 60 years.

W. H. Cuthbert, veteran insurance man of Petersburg, Va., died last week, aged 79. He was head of Cuthbert Bros., organized in 1856 and one of the oldest agencies in the state. He was a son of C. H. Cuthbert, founder of the agency which had been representing the Mutual Life of New York ever since it was started. At the death of his father, he and his brother, C. H., Jr., carried on the business. Two sons of C. H., Jr. will now carry it on, having been taken into the firm prior to the death of their father which occurred a few years ago. Mr. Cuthbert was never married. For some years the agency has been handling general lines of insurance.

E. M. Brewster of Standart, Main & Brewster, Denver general agents, and Mrs. Brewster are taking an extended vacation trip to Panama and South America.

E. J. Jacobsen, 32, special agent for the Northern Assurance in Wisconsin, died at his home in Milwaukee Saturday from pneumonia after a brief illness. Mr. Jacobsen went into the Wisconsin field for the Northern almost two years ago, succeeding the late Charles Easton. He had been with the United States head office of the company in New York, and prior to that in its Chicago office. Funeral services were held in Chicago Tuesday with a number of Wisconsin field men in attendance.

While hunting ducks near Geneva, N. Y., where he owned a local agency, **W. A. Kane** died suddenly following a heart attack. His companions made every effort to obtain medical help but Mr. Kane passed away before it could arrive.

Death has claimed **Willard Done**, Salt Lake City, Utah insurance commissioner from 1910 to 1914 and a recognized authority on insurance. He was born in Utah in 1865 and was prominent

in insurance, educational, church and political circles all his life. He was insurance supervisor for the Panama-Pacific exposition at San Francisco.

Mr. Done had not been actively engaged in insurance business of late. Two years ago he fell at the state capitol, severely injuring his back, and had been in ill health ever since. Death was attributed to apoplexy.

J. A. Mavon, formerly secretary of the Glens Falls, celebrated his silver wedding anniversary with 35 relatives and close friends at a party in the Hamilton Club, Chicago. An unusual feature of the occasion was presentation of a large bag filled with silver dollars, in place of the usual silver gift.

Funeral services were held Sunday for **Milan Ross**, president of the Milan Ross Agency of Asbury Park, N. J., who died of a heart attack two days after his 70th birthday. He established his agency in 1885 and recently had received a medal from the St. Paul Fire & Marine in recognition of his 45 years' representation of the company.

A. D. Roquemore, adjuster in the Montgomery office of the Fire Companies Adjustment Bureau, was married recently to Miss Lucile Maier at Huntington, W. Va. After a short trip, the couple returned to Montgomery to make their home.

Mr. Roquemore formerly was with A. J. Brame, fire general agent in Montgomery, and later with McCann-Ryan, as adjuster. When that firm discontinued business last June, he joined the Fire Companies' Bureau.

J. H. Johnson, head of the local agency of J. H. Johnson Company at Clarksdale, Mass., has been declared the most useful citizen of his city. He is president of the chamber of commerce, chairman of the Clarksdale hospital trustees, chairman of the Carnegie Library trustees, chairman of the American Red Cross county chapter, president of the Mississippi Delta Finance Corporation and chairman of the Oakridge cemetery trustees. He is also active in fraternal organizations and is past grand master of the Mississippi Grand Lodge of Masons.

An interesting policy issued 60 years ago in the Andes of Cincinnati protecting a pewholder against fire damage to his pew in the St. Peter's Presbyterian church at Rochester, N. Y., has been unearthed by **R. S. Paviour & Son**, agents of Rochester.

"Rochesterians," the Paviour agency points out, "no longer buy pews, the insurance company which issued the policy retired from business long ago, the policyholder is no more and St. Peter's Presbyterian church has dissolved and the building torn down. The insurance agency, however, still exists as R. S. Paviour & Son. It was founded by Joseph B. Ward in 1870. The agency has represented the Phoenix of Hartford for 42 years."

Funeral services were held Tuesday for **E. J. Caraher**, head of the insurance brokerage firm of E. J. Caraher & Co., Philadelphia, who died at the age of 88. He had been engaged in the insurance business in Philadelphia for more than 60 years, starting as a representative of the Metropolitan Life soon after coming to the United States from England. Later he became interested in fire insurance.

W. D. Williams of Rockford, Ill., western manager of the Security of Connecticut, is still in the Rockford hospital due to a major operation but expects to be able to get to his home the latter part of this week.

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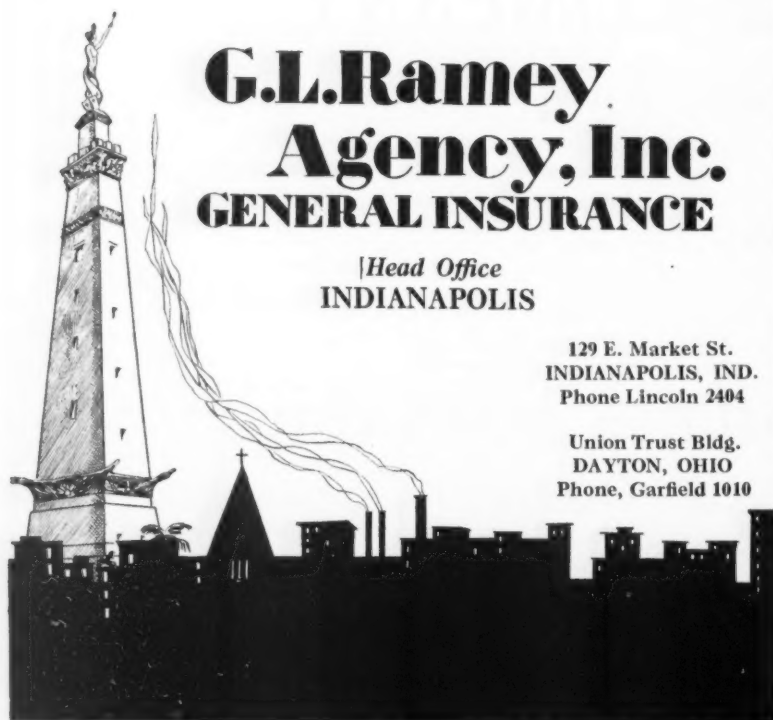
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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Ramey Opens Branch in Ohio

Large Indianapolis General Agency Starts Developing Field With Well Organized Service Office

The G. L. Ramey general agency of Indianapolis, which has been operating successfully in Indiana for several years, Jan. 1 opened an Ohio branch office at Dayton in 725 Union Trust building. Last week Mr. Ramey, accompanied by Special Agents A. F. LaRue and C. W. Alkire, visited Dayton and laid plans for organizing an agency plant in Ohio along the same lines as that in Indiana. Complete service facilities will be maintained. The Ramey Agency has made it a rule to give agents throughout the state prompt service along all lines, including production of business and handling claims. Engineering service is available and also a complete adjustment department for all lines of insurance.

Strictly General Agency

The plan of operation is strictly on a general agency basis. "Our organization is not in competition with local agents," says Mr. Ramey. "We do not write direct business for insurance buyers."

In Indiana the agency is now represented by 500 local agencies, and the number is steadily growing. Mr. Ramey is optimistic as to the outlook for 1931 and believes that the Ohio branch is being opened at an opportune time. "Our business is fine," he declares. "Collections are showing improvement. I believe we are going to have a wonderful time this year, profiting by past experiences, looking ahead and smiling into the future."

Explosion Losses Increase in Cleveland—Cause Concern

CLEVELAND, Jan. 14.—The increasing number of losses to property by explosion is causing adjusters as well as insurance companies some concern in Cleveland. Cause of these explosions in many cases is undetermined according to E. E. Heasley, Jr., manager of the Underwriters Adjusting here.

Some of the explosions have been of such intensity as to wreck large blocks of buildings in the immediate neighborhood. Accumulations of gas have been held responsible for many explosions while authorities have found evidence of bombing in others. One of the largest recent explosions occurred last week when a blast followed by a fire, wrecked the front half of a two story brick business and apartment building for \$35,000 loss. A gas accumulation in the basement appeared to have been the cause although nothing definite is known. The force of the blast wrecked automobiles standing close by along the street.

Carl Wolf Takes State Position

Carl S. G. Wolf of the Wolf Insurance Agency at Fremont, O., son of Scott S. Wolf, head of the agency, has been appointed chief bookkeeper for the office of State Treasurer Harry S. Day. He assumed his new duties Jan. 12. He has been in the Wolf Insurance Agency for the last five years. He is a graduate of St. Joseph's high school in the class of 1922 and graduated from the Northwestern School of Commerce at Lima in 1926. He took a course also in the Lima Business College.

Detailed Program Announced

Ohio Farmers Agency Association Will Have Its Fortieth Annual Meeting Next Week

The Ohio Farmers Agents Association has announced its program for the 40th annual meeting to be held at LeRoy, O., Jan. 20-21. Thomas E. Wood of Cincinnati is president; Charles Robinson, Gallipolis, vice-president, and F. E. Kirkpatrick of Columbus, secretary-treasurer. The executive committee consists of O. L. Kelly of Bryan, Max Fuls, Chillicothe, W. J. Dodge, Jr., Ravenna. The resolution committee consists of Charles Thomas, Bellefontaine; W. N. Scott of Newton Falls, and Paul Fritzinger, Ashland. The program is as follows:

Jan. 20, 1:30 p. m.

President's Message, F. H. Hawley.
Response, T. E. Wood, president Ohio Agents Association.
Minutes of Last Meeting, F. E. Kirkpatrick, secretary Ohio Agents Association.

Another Successful Year, Secretary D. W. Crane.

How to Write Automobile Insurance Right, J. C. Hiestand.

How to Adjust Automobile Liability Claims, C. D. McVay.

It Pays to Advertise, H. V. Chapman.

7:30 p. m.

Address, "What Are You Afraid Of?" C. M. Newcomb.

Dance. Group singing led by H. L. Boynton; Dr. Harold Long, accompanist.

Jan. 21, 9 a. m.

Annual meeting of Ohio Farmers Insurance Company.

Award of Ivy Trophy, A. I. Vorys.

Award of agents' watch charms to winning Ohio district.

Report of committees.

Election of officers.

Wednesday Noon

Annual meeting dinner.

Local Board Entertains Legislators

HUNTINGTON, W. VA., Jan. 14.—Members elect of the house and senate from Cabell and surrounding counties were the guests of the local board at a dinner Friday evening. R. P. DeVan and Frank R. Bell of Charleston, both past presidents of the National Association of Insurance Agents, and A. J. Kincaid, Montgomery, past president of the state association, were also guests and took part in the meeting. The purpose was to discuss legislation which may affect the insuring public.

Councilman Can't Write City Bond

Gilbert Bettman, attorney general of Ohio, has ruled that a member of a municipal council may not act as the president of an insurance agency which furnishes surety bonds for the municipality.

Ohio Insurance Committee Named

Arthur Hamilton, speaker of the Ohio house of representatives, has appointed the following committee on insurance: G. P. Lewis, Youngstown, chairman; W. D. Gradison, Cincinnati; J. H. Schumacher, Cleveland; John Caren, Columbus, and Oakley Spaght, Akron.

Arson Convictions Set Record

COLUMBUS, O., Jan. 14.—Under the direction of R. R. Gill, who retired this week as state fire marshal, investi-

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D.; and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

gation was made of approximately 1,700 fires of suspicious or unknown origin. As a result of these investigations, 72 persons were convicted of arson or kindred crimes. According to the department's figures, this is the best record for 12 years.

Youngstown Cancels Retrenchment

Youngstown, O., has withdrawn its retrenchment order, by which the fire and police departments of that city were to have been cut about 50 percent. The city has a deficit of about \$1,000,000. It is hoped that the state will provide relief measures. Threats of a cut in the fire and police departments at Columbus, O., also are threatened as a result of financial difficulties and the heavy demand for funds for caring for the needy.

Ohio Notes

Lahrheim & Co., one of Cleveland's oldest insurance agencies, is being discontinued with the retirement of Adolph Lahrheim. The agency was originally operated by his father, H. Lahrheim, who died several years ago.

Columbianna, O., has just had its third fire in seven years, a record which few towns can approach. It was the first fire of any consequence since June, 1929. That loss broke a no-fire record of five years.

The nominating committee of the **Cincinnati Fire Underwriters' Association** has nominated John F. Ankenbauer and W. A. Earls for the two vacancies on the board of governors which occur this year. Both men are nominated for two-year terms.

CENTRAL WESTERN STATES

New Skirmish in Detroit War

Cary Charges Political Favoritism in Dividing Lighting Commission's Boiler and Machinery Coverage

DETROIT, Jan. 14.—The Detroit city insurance "war," which has been raging intermittently for months, flared anew last week when W. B. Cary, president of the Michigan Insurance Agency, appeared before the city council and protested the awarding of one-half of the boiler and machinery insurance on the \$5,000,000 public lighting commission property to Homer Warren & Co., whose insurance department is headed by J. A. Grow, president of the Detroit Association of Insurance Agents.

Mr. Cary charged that politics had again entered into the matter. His agency has had the business exclusively for three years and was recommended for the renewal by L. J. Schrenk, superintendent of the commission. Mr. Cary charged that the business was divided after Harry Mead, attorney for the Warren agency, who was campaign



FRANK R. BELL, Charleston, W. Va.

Frank R. Bell of Charleston, W. Va., former president of the National Association of Insurance Agents, has been appointed national councillor from West Virginia. There are now two past presidents on the council, one being James L. Case of Norwich, Conn., representing his state association.

manager for Mayor Murphy, had conferred with the mayor. Mr. Cary was chairman of the recall committee that succeeded in ousting Murphy's predecessor, Charles Bowles, from office, but Mr. Cary supported another candidate than Murphy for the subsequent election. Mayor Murphy previously denounced the awarding of insurance as "political pap."

Mills Denies Charges

The city council demanded the stenographic notes taken at the lighting commission meetings and postponed the hearing until Friday, when a stormy session ensued. The Michigan agency charged that J. E. Mills, commissioner of purchases and supplies, had ordered the business split because Mr. Mead interceded on behalf of the Warren agency. Mr. Mills denied it. Then the attorney for Mr. Cary charged that Mr. Mills recommended the split because of gratitude to the mayor, who recently reappointed him. This was also denied vigorously.

Mr. Grow admitted that he could not provide the same engineers as Cary employs, but stated that he could provide

just as efficient inspection service. L. L. Coates, manager Hartford Steam Boiler Detroit branch, said that his company inspects 50 percent of the plants of this type in the country and could transfer competent engineers here to take care of this work if the divided award stands. Mr. Mills stated that he had recommended the split because he understood that Mr. Cary and the Warren agency employ the same engineers, who are familiar with the Detroit plants.

At the conclusion of the session, Mr. Mills stated that he would recommend that the business be given entirely to Mr. Cary in view of the experience of his engineers. The premium totals \$45,000 on this business.

Oppose Tax Recommendations

Michigan Companies Up in Arms Over Suggestion That Premium Levy Be Made

LANSING, MICH., Jan. 14.—A storm of opposition has been aroused in Michigan company circles to the suggestion of the special commission on inquiry into taxation that premiums of home companies on business written in this state be taxed on the same basis as those of foreign companies licensed here.

One company executive said that enactment of a measure of this sort by the legislature, under present conditions, would merely mean that his company would be forced to move into Ohio or some other nearby state. If a general sales tax were to be adopted by the legislature as a means of reducing the general property tax, a levy on premiums of home companies might be justified, he said, but to levy a tax of this sort merely on the commodity purveyed by insurance companies would be rank discrimination. The companies, it was pointed out, pay large property taxes on their home offices and other real estate holdings the same as other corporations and there is no greater tax-exemption afforded them, they contend, than other varieties of Michigan business.

Whether serious consideration will be given to the special commission's recommendations is still problematical. The fact that five legislators were members of the nine-man commission, however, indicates to observers that an attempt will probably be made to carry out the suggested changes.

Senate Committee Selected

Michigan Prepares for Insurance Legislation—Cowan Retained as Upper House Chairman

LANSING, MICH., Jan. 14.—A senate insurance committee considered satisfactory by company and agency leaders has been named by Lieut. Gov.

Ohio Leader Dies



PERRY W. FLICKER

Perry W. Flicker, president and treasurer of the Evarts-Tremaine-Flicker Company, Cleveland, died Saturday after an illness of several months.

Mr. Flicker was very prominent in agency circles, having served as president of the Insurance Board of Cleveland and as a member of the executive committee of the National Association of Insurance Agents. At the time of his death he was a trustee of the Cleveland Board and a member of the executive committee of the Ohio association.

He was one of the most active workers on the mid-west conference committee, headed by Earl E. Fiske of Green Bay, Wis. He served as a member of the smaller contact committee which was formed from the larger group as a special committee to meet with the companies. The resolution for separation of mutual and stock adjustments was written by J. C. Harding and C. R. Tuttle, representing the companies, and L. E. Bright of St. Louis and Mr. Flicker, representing the agents.

L. D. Dickinson but the house committee has not yet been formally announced by Speaker Fred Ming.

Alex Cowan, Port Huron local agent, chairman of the 1929 senate committee and cosponsor of the insurance code revision passed during that session, was again selected for the senate chairmanship. A. F. Heidkamp of Lake Linden and A. M. Gansser of Bay City were renamed to the committee. New members are: H. J. Rushton, Escanaba; H. P. Orr, Caro; Joe Foster, East Lansing, and C. L. Roxborough, Detroit. Senator Orr is a former deputy insur-

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ance commissioner and a brother of R. K. Orr, president of the Wolverine.

According to rumor in legislative circles, J. M. Wilson, Kalamazoo local agent, will head the house insurance committee. He also had an active part in putting through the 1929 code revision. Other members are expected to be: J. C. Armstrong, Detroit, chairman 1929 committee; C. F. Haight, Lansing; Miles Callaghan, Reed City, and M. H. Lee, Royal Oak. Only Representative Lee would be a newcomer.

The session is likely to be a lively one from the insurance standpoint. An automobile rating bill, an adaptation of the A.A.A. financial responsibility measure, a probable agency qualification bill, a proposed measure to tax premiums of Michigan companies the same as those of outsiders, and several other less controversial matters are practically certain to come in for attention.

Will Increase Membership

Appreciating the need for the strongest possible cooperation on the part of Indiana agents during the present year, when the legislature of the state is to convene and with every prospect of considering measures affecting insurance interests, F. A. Tedford, president of the Indiana Association of Insurance Agents, states his organization will put forth a determined effort to attain a membership of at least 400 within the next few months.

Tarpaulins to Be Used

INDIANAPOLIS, Jan. 14.—After considerable experimentation by fire insurance men, it has been decided that fire apparatus operating in the outlying districts of Indianapolis hereafter will be equipped with heavy tarpaulins to reduce property losses caused by water damage. The Indianapolis Salvage Corps and the city fire department are cooperating in the arrangement.

Mutual Quits After 44 Years

After a continuous existence of 44 years, the Stendal Mutual Home Fire & Lightning, Stendal, Ind., has gone out of business. The constitution provided that when insurance in force should fall below \$50,000, the company would cease and the obligations of the stockholders to one another should also cease. In 1930 the company suffered several large losses which drove out many policyholders and the company fell below the required amount of insurance in force. At one time the company had over \$500,000 insurance in force.

Schneider Agency Perpetuated

Following the death of George Schneider of the agency bearing his name in Minonk, Ill., his widow has taken over the agency. Associated

with Mrs. Schneider is her nephew, H. M. Vogel, and the agency will be operated under the title of Schneider & Vogel agency.

Review License Situation

LANSING, MICH., Jan. 14.—An evening meeting of the Lansing Association of Insurance Agents is planned for next Monday, at which the members will go over the license situation in this territory. It is expected that Robert Morse, head of the licensing division of the Michigan department, will be present.

Launch Twin City Board

Local agents of St. Joseph and Benton Harbor, Mich., have perfected a temporary organization of a new local board, to be known as the Twin City Local Agents Association. E. E. English of Closson & English, Benton Harbor, is temporary president, and Mrs. Lillian G. Carlton of the Hipp-Pratt Insurance Company, Benton Harbor, temporary secretary. A committee was appointed to draw up constitution and by-laws, which will be presented for adoption at the next meeting to be held at the Whitcomb hotel in St. Joseph Jan. 22. The organization meeting was attended by 22 agents from the two cities, representing approximately 90 percent of all business written in that territory.

New Agencies at Lapeer, Mich.

R. D. Rhead, who has been with the First National Bank of Lapeer, Mich., for nine years, the last eight as assistant cashier, has resigned to devote his full time to insurance. He has been writing some fire business in connection with his work in the bank.

Donald Kay and A. T. Dodds have also opened a new agency in Lapeer. Mr. Kay will be primarily in charge of the insurance end, while Mr. Dodds will give most of his attention to real estate, in which field he has been engaged for some years.

Indianapolis Mutuals Elect

J. E. Shewmon has been elected president of the Mutual Insurance Association of Indianapolis. He succeeds F. H. Irwin. Other officers chosen include R. D. MacDaniel and G. T. Beall, vice-president; Miss Marie Larrick, secretary-treasurer, and J. P. Cook, C. T. Coats and C. S. Jones, members of the advisory committee.

Indiana Notes

The R. W. Ott agency at South Bend, Ind., has been incorporated.

P. A. Halmbaugh, engaged in the insurance business at Muncie, Ind., for several years, died at a hospital there of peritonitis following an operation for appendicitis.

STATES OF THE NORTHWEST

Calhoun Green Bay Speaker

Tenth Anniversary of Insurance Division of Association of Commerce Observed at Dinner Meeting

GREEN BAY, WIS., Jan. 14.—The tenth anniversary of the organization of the insurance division of the Green Bay Association of Commerce was observed with a dinner meeting at which W. B. Calhoun, chairman of the executive committee of the National Association of Insurance Agents, was the principal speaker. The meeting was attended not only by Green Bay agents but by many from surrounding towns.

The Green Bay division was the first group of its kind to be formed in the United States, and its plan of organization and activity has since been followed in numerous other cities. In opening his talk, Mr. Calhoun stated that it was because of the national reputation of the Green Bay division, and the leader-

ship it had taken in its field, that he was present at the dinner.

"Local agents," he said, "are in a better position to know the needs of insurance buyers than are those connected with the company's home office. The local agent is a real source of information to the company in determining the need, and through the National Association of Insurance Agents these needs are brought to the attention of the companies, resulting in better service and many times in reduced rates to the buyer."

"Next Commissioner" Introduced

A review of the formation and history of the division and some of its accomplishments was given by Earl E. Fisk, its first secretary, who was re-elected to that office and will serve his fourth year in that capacity.

Other out-of-town speakers were: C. E. Hayne, president Wisconsin Fire Underwriters Association; E. O. Spink, head of the Blue Goose; C. R. James, secretary Wisconsin Fire Prevention



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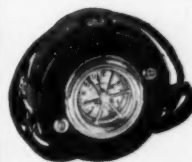
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Association, and W. F. Buech, Milwaukee local agent, who was introduced as "Wisconsin's next insurance commissioner." He talked on insurance laws which may be expected at the coming session of the legislature. Mr. Buech made no comment on the introduction, neither affirming nor denying the statement.

Miner Shaw Joins J. D. Dux

Two Former Field Men Take Charge of the Hollister-Dux Insurance Agency

An interest in the Hollister-Dux Insurance Agency of Sioux Falls, S. D., has been sold to Miner Shaw of Sioux Falls, who for the last four years has been manager of the insurance department of McKinney & Allen of that city. Previous to that time Mr. Shaw was state agent of the Westchester, traveling at different times in South Dakota and Illinois. J. D. Dux, head of the agency, has been in insurance for over 31 years, starting as a clerk in the home office of the New York Underwriters. He is secretary of the South Dakota Insurers, the state agents' association. The business will be carried on under the name of the Shaw Insurance Agency, Mr. Dux being president and Mr. Shaw, secretary and treasurer. The agency was started by Hollister Brothers in 1890 and has had a splendid growth. The accession of Mr. Shaw will add to its momentum.

Value of Appraisals Shown

Lloyd Thomas Company Survey Resulted in Big Increase in Line on Bismarck Capitol

A striking example of the value of an appraisal is to be found in the recent destruction by fire of the North Dakota state capitol at Bismarck on which the stock companies, mutuals and the state fund paid \$736,000. A few years ago only \$240,000 of fire insurance was carried on the building and contents. One of the enterprising local agents in Bismarck had read in THE NATIONAL UNDERWRITER the advertisements of the Lloyd-Thomas Company of Chicago, appraisal engineers, and he persuaded the state authorities to get in touch with that organization for the purpose of having an appraisal made, not only of the state capitol but all of the state institutions in North Dakota. This was done with the result that the line on the state capitol alone was increased from \$240,000 to \$728,000 the business being written with the 80 percent co-insurance clause.

For some time prior to the fire it had been the intention of the state officials

in North Dakota to erect a new capitol. It was intended to raise a fund of approximately \$1,500,000 and while a portion of this had been secured there was still \$600,000 to be added to the special fund. The payment by the fire companies provides more than the \$600,000 which was needed and will enable the state immediately to build the new capitol that has been wanted for so long a time, if the legislature can be induced to appropriate the money, which is to be paid into the general fund, for that purpose. Without an appraisal a total of only \$240,000 might have been paid and the fund would have been \$360,000 short.

South Dakota Agents' Rally

Annual Meeting Will Be Held at Sioux Falls With Jay B. Allen Presiding

The officers of the Insurers of South Dakota, the state local agents' organization, have announced the program for their annual meeting to be held at the Carpenter hotel, Sioux Falls, Jan. 27. Jay B. Allen of Sioux Falls is president and J. D. Dux of that city is secretary of the South Dakota organization. The following is the program:

Morning Session

Registration.
"Rate Making," Chas. J. Lund, manager General Inspection Bureau, Minneapolis.

"Public Services Rendered by Stock Fire Insurance Companies Through the National Board of Fire Underwriters," Wm. S. Rathbun, engineer National Board, Chicago.

Afternoon Session

"The Local Agent and the Loss," W. G. Chesnut, manager Western Adjustment, Kansas City, Mo.

"Looking Ahead," W. P. Robertson, manager Alliance, Chicago.

Round Table Discussion.
"The American Agency System," Walter H. Bennett, secretary National Association of Insurance Agents.

Evening Session

Banquet, special program being arranged by members of South Dakota Fire Underwriters Association, who will be the hosts.

To Pay Capitol Loss Soon; Money Into General Fund

BISMARCK, N. D., Jan. 14.—Arrangements for North Dakota to collect \$736,000 in insurance on the state capitol building and its contents have been completed by the insurance department. Representatives of the 70 companies which carried the risk said payment would be made soon. The building was

insured for \$430,000 and was declared a total loss. The contents were insured for \$298,000 and likewise declared a total loss. In addition, a separate policy for \$8,000 was carried on material in the supply department of the state board of administration. This also will be collected.

Although it is the largest claim ever collected in the state, no one company will sustain a heavy loss, as much of the liability had been reinsured.

Proceeds of insurance on the capitol building must be deposited to the general fund of the state, Attorney General Morris said in an opinion issued at the request of E. G. Wanner, secretary of the state board of administration. No department or board has authority to apportion this insurance, the opinion said. The proceeds become a part of the general fund and subject to appropriation in the usual manner by the legislature.

The effect of the opinion is that if the insurance money is to be used toward the construction of a new statehouse, it must be appropriated by the legislature for that purpose.

Minnesota Blue Goose Activities

MINNEAPOLIS, Jan. 14.—The annual dinner dance of the Minnesota Blue Goose will be held Jan. 31, according to announcement made by Charles Butts, most loyal gander, at the luncheon meeting Monday. Members were thrilled with a talk on "Big Game Hunting in Canada" by Rev. H. J. Soltau of the Brooklyn Center Community Church.

Minneapolis Has \$100,000 Loss

MINNEAPOLIS, Jan. 14.—Damage estimated at \$100,000 was caused by fire which swept through a two-story chemical manufacturing plant in Minneapolis, Monday morning. The heaviest loss was suffered by La Pompadour, Inc., makers of toilet preparations. The fire, fed by chemicals, spread rapidly and the flames gained such headway that firemen were unable to save but very little stock in the building. The company estimated its loss at \$80,000. The La Mere Auto Service Co. lost 26 autos in the fire, suffering a loss of \$8,000. The Central Body Co. and the Northwestern Upholstery Co. also suffered damage. The loss to the building was \$15,000.

Hail Law Changes Proposed

BISMARCK, N. D., Jan. 14.—Immediate payment of hail insurance claims and support of most of the suggestions contained in the insurance commissioner's report were recommended by Governor Shafer in his message to the legislature.

The department recommended an optional system of crop listing for the whole state, in lieu of the present com-

pulsory method, subject to certain conditions and limitations.

"Under the present system," said the governor, "hail insurance claims, although filed and adjusted during the summer months are not paid until the following December. This delay causes the farmers who suffer losses much inconvenience and expense. I recommend such amendments to the hail insurance law as will remedy this condition."

Stock Agents Get Cover

Local agents of Beaver Dam, Wis., registered a triumph over the state fire insurance fund when the common council of that city refused to ratify the action of its committee on public buildings in taking out state insurance in the amount of \$13,000 on the city hall and its contents. The state fund policy is being cancelled and the insurance will be written by local agents of stock companies.

Field Club Honors Rudd

MILWAUKEE, Jan. 14.—Seventy-two field men were present at the first good-fellowship dinner of the Wisconsin Fire Underwriters Association here last week, to honor Paul E. Rudd, past president of the association, and to present him with the past-president's emblem.

G. F. Risley, Rochester American, made the presentation address in honor of Mr. Rudd. W. B. Erfert, Freeport, Ill., state agent United States Fire, presided as toastmaster, and D. O. Stine, Reedsburg, Wis., state agent St. Paul Fire & Marine, addressed the club.

Among those in attendance at the dinner were M. A. Freedy, Wisconsin commissioner. E. M. Griggs, attorney for the National Board; Harry Norton of the American, Rockford; A. D. Yeaton, New Hampshire, and I. C. Faber, Illinois state agent of the Fire Association.

Reciprocity Laws Periled

MADISON, WIS., Jan. 14.—Consideration of repeal of the reciprocity laws for insurance companies is rumored to be under consideration by the new state administration in its search for ways and means of raising money without increasing taxes, except in the higher brackets.

If the law were repealed many foreign companies with agencies here would be taxed in Wisconsin, and of course Wisconsin companies with agencies in other states would be taxed there.

The three fire patrols maintained by the Milwaukee Board answered 150 alarms and 23 special duty calls last month. The patrols spent 139 hours on fire duty and traveled 479 miles. They spread 848 stock covers and 21 roof covers.

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IN THE MISSOURI VALLEY

Iowa Agents to Meet Feb. 9

Mid-Winter Session at Des Moines to Be Devoted Primarily to Legislative Matters

DES MOINES, Jan. 14.—The mid-winter meeting of the Iowa Association of Insurance Agents will be held at the Kirkwood Hotel, Des Moines, Feb. 9, concluding with a banquet and evening meeting. This mid-winter session was decided upon at the regular convention at Iowa City. The legislature will be in session and inasmuch as the Iowa association is endeavoring to secure some legislative enactments affecting the insurance business, it was thought that such a meeting should prove helpful.

Chairman S. D. Butters of the legislative committee has sent out to all of the county key-men copies of the proposed agents' qualification law, with a letter urging cooperation by getting in touch with legislators. A copy of the proposed law has been sent also to each member of the association, with a letter from President F. W. Colvin urging attendance at the mid-winter meeting, activity in arousing sentiment for the qualification law and financial support for the legislative program. By eliminating mutuals, fraternal and life companies from the qualification law, the committee believes it has removed the opposition formerly registered by mutuals and life men.

Commissioners' Attitude Cited

The prominence given the need for fewer and better qualified agents by the National Convention of Insurance Commissioners, it is thought, will be of assistance in convincing legislators that the insuring public can be better protected by such a law. The proposed law is almost an exact copy of the one suggested by the National Board and the commissioners, with the addition, however, that the applicant will be required to state that he will engage actively in the business of insurance and that his appointment is not sought chiefly for the purpose of writing personal insurance of said agent or his business associates or employers.

Anti-discrimination and anti-rebate laws which state association conventions have urged for several years, will be taken up and it is understood that the mutual agents as well as stock company agents are in favor of this move.

Rate Making Discussed

H. J. Corcoran of the Iowa Insurance Service Bureau spoke before the Iowa Blue Goose on how rates are made. He said there are 126 separate items the bureau considers in rating a town and discussed some of the major ones. He pointed out that classification is based mainly on the possibility of a big fire that might develop into a conflagration. In the discussion following his address it was pointed out that of all Iowa towns and cities, Des Moines is in the most dangerous position so far as a real conflagration is concerned.

Limits Covers to One Year

LINCOLN, NEB., Jan. 14.—One of the last orders issued by Commissioner Dort was addressed to the assessment hail associations licensed in this state, notifying them that no policies issued by them will be approved by the department except on growing crops and not for a longer term than one year or one crop season, as the case may be. The commissioner said in addition that all policies heretofore approved by the department, inconsistent with this order and for terms of more than one year on growing crops, are disapproved, and must no longer be issued or sold by such associations.

Commission Talk Postponed

No More Conferences on Impounded Premiums in Kansas Until After W. U. A. Meet

A bulletin of the Western Underwriters Association and of the Kansas Association of Insurance Agents informs members of those organizations that further conversations on the issue over payment of commissions on those impounded premiums in Kansas which have been returned to policyholders have been deferred until after the annual meeting of the Western Underwriters Association in April. These bulletins were issued following a second conference between a committee of Kansas agents and a delegation from the Western Underwriters Association at Topeka.

"By mutual agreement," the Western Underwriters Association bulletin reads, "between companies and objecting agents, any further discussion of differences has been postponed until May or late April."

Satisfactory Conclusion

"The conference at Topeka, Jan. 8, between the company representatives and the Kansas association committee resulted in a conclusion satisfactory to your committee," the bulletin from the Kansas association states.

"It is impossible for the governing committee to take any definite action in regard to our claims until after they have an opportunity to present same to the Western Underwriters Association in their convention next April."

"We have agreed with them that this is the proper procedure. We hope the Kansas agents will take no further drastic action pending the April meeting."

The Kansas bulletin is signed by J. C. Kelly, F. B. Harris, H. R. Johnston, C. K. Foote, and C. G. Blakely, Jr.

Wichita, Kan., Low Record

According to the report of Fire Chief McCall, fire losses in Wichita, Kan., in 1930 were the lowest in 15 years. Property valued at \$8,711,520 and insured for \$4,303,535 was menaced by the 1,475 fires occurring in the city last year, the damage to buildings amounting to \$43,743 and to contents, \$31,731, or a total of a little over \$75,000 for the year.

Case to Head St. Louis Board

ST. LOUIS, Jan. 14.—F. C. Case of Case, Thomas & Marsh has been nominated for president of the Fire Underwriters Association of St. Louis to succeed J. F. Hickey. As no opposition ticket has developed, it is probable that Mr. Case will be voted into office unanimously at the annual meeting Jan. 20.

Other nominations are: A. L. McCormack for vice-president, G. B. Chipley for reelection as secretary, C. J. Kehoe for reelection as treasurer and L. E. Bright, W. D. Hemenway, Jr., J. F. Hickey and C. H. Morrill as Class 1 agents' members of the executive committee. Class 2 agents have nominated F. J. Alexander, C. E. Drozda, Nicholas Martin and J. F. O. Reller for that committee.

Missouri Notes

The John H. Eggert Agency Co. has been approved for Class 1 membership in the Fire Underwriters Association of St. Louis.

The executive committee and directors of the Missouri Insurance Council will meet at Columbia Jan. 17. C. S. Lawton of Lawton-Byrne-Bruner, St. Louis, is president.

The Missouri Agencies, a corporation composed of H. H. Butler, C. E. Stephens and R. W. Freyschlag, has quit the insurance business. Other St. Louis agencies that have recently retired are Security Agency Company, L. B. Smutz & Co., and Ziegler & Handler Agency.

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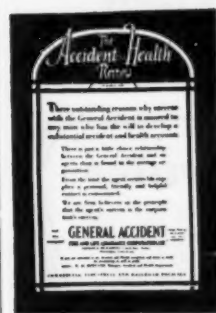
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STATES OF THE SOUTHWEST

Board Begins Dallas Inquiry

Manager Johnson of Local Board Aids Commissioner DeWeese in Investigation of Unethical Practices

DALLAS, TEX., Jan. 14.—The state board of insurance commissioners has begun an investigation into alleged "unethical practices," said to exist in fire insurance circles in Dallas, at the request of the Dallas Insurance Agents Association and upon data furnished by that organization.

A. G. Johnson, manager of the Dallas association, said his organization had forwarded to the state department of insurance information which is said to expose a "decidedly unethical" situation here.

According to Mr. Johnson a survey recently completed in Dallas revealed that 7,600 agents in Dallas are licensed to write fire coverage, an unusually large percent of whom are not in the insurance business. A large number of the persons obtained their licenses merely to write their own coverage and thus save paying a commission to legitimate agents. "That is a plain violation of the state law," said Mr. Johnson, "and it must cease."

The Dallas exchange has found several agencies in Dallas who are rebating and splitting commissions, a practice contrary to law. This is another thing the local organization expects to "clear up" before the state investigation of the "Dallas situation" is over.

Commissioner DeWeese is making a close study of the information submitted him by the local association and is expected to take definite action in a short time.

Questionnaire Sent Out

Mr. DeWeese some time ago sent a questionnaire to the licensed agents in Dallas, in which he sought to ascertain just how much time was being devoted to writing insurance and how much to other things. Also how much rebating and commission splitting was being done. At that time the commissioner threatened to deal with the situation if the data from the questionnaires warranted.

It is understood a representative from the state insurance department is to be sent to Dallas to make a personal study of the conditions in order that the fire insurance commissioner may know just how to act before March 31 when all licenses to write fire insurance in Texas are renewed.

It is being freely predicted that the 7,600 persons carrying authority from the state board of insurance commissioners to write business in Dallas will be greatly reduced this year. Some believe the number will be cut in half.

Patience About Exhausted

It is known the state department has been "troubled" by the Dallas situation for some time and that its patience is about exhausted. It is known that promises have been made and broken so often that the state board has about made up its mind to "take the situation in hand" this year.

There are reports and rumors to the effect that if the state board refuses to issue licenses to those suggested by some of the Dallas agencies accused of "unethical practices" mandamus proceedings will follow and the commission will find itself mixed in court actions.

New Rule of San Antonio Exchange Goes in Effect

The new rule of the San Antonio Insurance Exchange, governing agency representation in that city, was promulgated at the last meeting of the organi-

zation. The rule prohibits representation outside of the exchange, and limits foreign, or out of state companies, to two plants in San Antonio. Texas companies may have four plants while carriers domiciled in San Antonio may plant without restriction in exchange agencies.

Only one member retired because of ineligibility under the new rule. Several agents are reported to have resigned companies which are not in conformity with the rules. Five new members were elected bringing the membership to 62.

Improvement at Little Rock

The National Fire Protection Association reports considerable improvement in fire protection facilities at Little Rock, Ark. Additional apparatus and men have been secured for the fire department and a drill tower has been erected. Work on a new fire alarm system is to start soon. A new building code is now before the city council.

Moves to Amarillo

The Rain & Hail Insurance Bureau has moved its Texas office from Dallas to Amarillo. E. B. Harris, special agent, will handle the department, which represents the Springfield, Aetna and North America. For the past ten years Mr. Harris has been supervisor of that department in Texas.

Hold "Sozzle" at Nuevo Laredo

SAN ANTONIO, Jan. 14.—In line with its usual policy, the South Texas Blue Goose will hold its mid-winter "sozzle" in Nuevo Laredo Jan. 28. There will be 10 or 12 goslings to be initiated, and an attendance of 50 or more is expected. There will be a side trip to Laredo for those who care to go.

There is some dissatisfaction with regard to the increase in rates for group life insurance on the older members and the matter will be discussed at this meeting. A number are not pleased with the plan adopted and it is entirely possible that the South Texas pond may make other arrangements for group insurance at this meeting.

May Raise Rate Issue

LITTLE ROCK, ARK., Jan. 14.—Fire rates may be injected into proceedings of the Arkansas legislature, convened here Jan. 12 at Little Rock, as result of a controversy developed between T. F. Baker, Fire Prevention Bureau manager, and Mayor Wilson of El Dorado.

The El Dorado city council by resolution authorized its fire department to answer calls within a radius of three miles of the courthouse. Mr. Baker in a communication said it would be necessary in this event for the National Board to order a resurvey in order to determine the adequacy of fire protection. Mayor Wilson is quoted as saying that the mayors of Arkansas cities are willing to join the issue with the bureau in the legislature on the question of fire rate structures and classifications.

Arkansas Losses Increased

Fire loss in Arkansas in 1930 totaled \$7,945,689, an increase of approximately \$2,000,000 over the 1929 total, the annual report of the state fire prevention bureau shows. December was the worst month of the year, with loss of \$1,125,180.

Texas Notes

C. H. Folbre and W. W. Knight have been elected members of the San Antonio Insurance Exchange.

J. B. Lowrey of J. M. Lowrey & Son, local agents at Bonham, Tex., died there after an illness of three months.

IN THE SOUTHERN STATES

Await Data From Companies

Louisiana Commission Not to Act on Rate Increase Until Information Is Filed

NEW ORLEANS, Jan. 14.—The Louisiana insurance commission will take no action on the pending application of fire companies for increase in rates until the companies have furnished certain information requested by the commission a month ago.

The information sought includes: Amount of contingent and bonuses paid; investment expenses, with explanation of method of arriving at same; legal expenses other than claims, with explanation as to what is contemplated by them; organization expenses, if any, and under what heading charged, and furniture and fixture account with method treated in financial account, in each case giving the percentage as to premiums.

The companies are asking an increase of 25 percent on protected frame dwellings, and 33 1/3 percent on unprotected dwellings, all farm property, woodworking plants and lumber.

Tennessee Annual Meeting

The Tennessee Fire Underwriters Association will hold its annual meeting at Signal Mountain, Tenn., May 28-29. H. A. Amonette, Henry Roberts and Leon McGilton have been appointed arrangements committee. The committee is arranging for some speakers of national reputation. At the same time the Blue Goose will hold its meeting. The Tennessee State Fire Prevention Association will also hold its meeting then.

Rules on Five-Year Policy

MONTGOMERY, ALA., Jan. 14.—Commissioner Thigpen of Alabama has issued a negative ruling on the question as to "whether or not a five year fire policy which, under the rules of the Southeastern Underwriters Association, may be written for four annual premiums, could be so written and the insured

permitted to pay the total premium in four annual installments at the end of each 12 months from the date of the policy." Mr. Thigpen says it can not be done.

"To issue a five year policy for four annual premiums and allow the premiums to be paid annually as stated in your letter would amount to rebating one annual premium and be a violation of the anti-rebate laws of this state," he said.

J. P. Woodward Retires

J. P. Woodward, who has been general agent of the Lamar Life at Columbus, Miss., and also conducted a local agency there, retired on Jan. 1. He is succeeded as general agent by R. O. Hardy. His fire and casualty business is turned over to the Mississippi Investment & Insurance Corporation, formed by his associates in the office. J. B. Hopkins is president of the local agency.

New Agency Is Formed

NEW ORLEANS, Jan. 14.—Formation of the Norton, Bernard & Nungesser agency, with offices in the Mechanics & Traders building, 144 Carondelet street, is announced. The firm members, T. B. Norton, G. W. Bernard and Chris Nungesser, have all been in the insurance business for more than 20 years. Mr. Norton is vice-president and director of the Mechanics & Traders, of which Mr. Bernard is resident secretary.

Alabama Agents' Meeting

The 1931 convention of the Alabama Association of Insurance Agents will be at the Reich hotel at Gadsden, May 7-8.

Few Virginia Banks Closed

Assistant Secretary A. F. Selden, Jr., of the Virginia Fire & Marine says that the closing of banks in Virginia has not been severe. There were six small banks in many towns closed during the last month or so. Only two of these were

of any size. Some have reopened. Mr. Selden says:

"Virginia has not had anything approaching an epidemic of bank failures which have occurred in one or two states in the south and west. We sincerely believe that our larger financial institutions are in excellent condition and we anticipate no trouble at all."

Winn Opens Own Agency

ATLANTA, Jan. 14.—W. Avary Winn, for the past ten years identified with the local agency of Smith-Winn, has severed his connection with that firm to form the Avary Winn Insurance Agency, which will represent the Aetna Life and Aetna Casualty. He will maintain offices in the William Oliver building.

Increase Birmingham Membership

BIRMINGHAM, ALA., Jan. 14.—The Birmingham Association of Insurance Agents recently conducted a membership campaign. It now has 45 paid-up agency members which constitute most of the eligible agencies in the city. One of the most effective pieces of literature sent out by the membership committee was a copy of the address, "The Human Owl," made recently by the national president, Percy H. Goodwin.

Home Fire Bond Sufficient

MONTGOMERY, ALA., Jan. 14.—Commissioner Thigpen feels confident that the \$20,000 bond of the Home Fire of Arkansas, posted when the company entered Alabama, will be sufficient to cover the losses and unearned premiums of Alabama policyholders. The company recently went into the hands of a receiver and the Alabama attorney general held that the bond was not an asset of the company but should be held here to protect policyholders of this state.

Four Companies in Bank Agency

The North Carolina Association of Insurance Agents in its bulletin states that the only companies now planted with the Raleigh unit of the Wachovia Bank & Trust Co., are the Firemen's, National Union, Consolidated Indemnity and Commercial Casualty. It states that all the other companies at one time or other planted with the bank have complied with the resolution of the Raleigh Insurance Exchange and discontinued representation.

North Carolina Reports

Manager Hill of the North Carolina Inspection & Rating Bureau finds that since the first of the year the daily reports have decreased 4.86 percent as compared with 1930, endorsements increased 3.09 percent and canceled policies increased 5.06 percent. This would indicate that business is practically level.

Pineville Office Closed

LOUISVILLE, Jan. 14.—The Kentucky Actuarial Bureau has closed its branch office at Pineville and merged it with the Lexington branch office, which will handle all bureau matters over southeastern Kentucky, including Pineville.

Walter Denig, formerly branch manager at Pineville, who left the bureau a few months ago to become an engineer for the general agency of Snyder Brothers, Louisville, will return to the Kentucky Actuarial Bureau in the Louisville office.

Some Kentucky Banks Reopen

LOUISVILLE, Jan. 14.—Some of the smaller banks which closed during the November failure epidemic have reopened, including the Bank of St. Helens at Shively, Ky., just south of Louisville, two at New Albany, Ind., one at Sulphur, Ky., and a few others. However, the Bankers Trust Co., Lou-

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NET SURPLUS

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ASSETS

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SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

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LOSSES PAID POLICY HOLDERS

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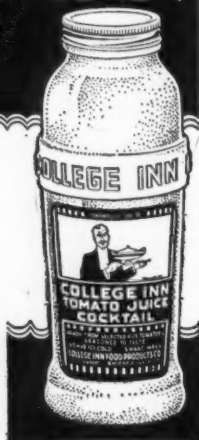
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isville, which had a fire and casualty insurance department, is being liquidated, as is the Union Central Bank. The Louisville Trust Co. is still closed and no information is available as to what disposition will be made of it. The National Bank of Kentucky is proceeding with liquidation. Remaining banks have gained very considerably in deposits and are in excellent condition.

Nixon Plans Membership Tour

AUGUSTA, GA., Jan. 14.—Scott Nixon of Augusta, second vice-president of the Georgia Association of Insurance Agents, is completing his itinerary for a week's tour over the state in the interests of the association. A prospect list of nearly 500 desirable agents has been compiled and it is Mr. Nixon's intention to include the towns that were not visited on last year's trip. As the result of the trip last January nearly 30 members were signed up and it is

hoped that a larger number will be gained this year.

Norris Joins Richmond Trust Co.

Rayce Norris, president of Rayce Norris & Co., real estate and insurance agency of Richmond, Va., has been made manager of the real estate department of the Richmond Trust Company. He will discontinue his agency. He succeeds C. A. Hawkins, resigned.

Florida Agents' Meeting

The annual meeting of the Florida Local Underwriters Association will be at the San Juan Hotel in Orlando, March 26-27. The directors of the state association will meet at Tampa for an all-day session Friday of this week. The third regional district meeting will be held at the same place in the evening. This meeting is open to members and non-members alike.

ON THE PACIFIC COAST

White Heads Seattle Agents

**Insurance Exchange Announces Plans
 for Credit Clearing House at
 Annual Meeting**

The annual meeting of the Insurance Exchange of Seattle was held Tuesday evening, following which a banquet was served for several hundred including prominent public officials in the state and city of Seattle. R. R. Frazier, president of the Washington Mutual Savings Bank, was the principal speaker while A. S. Morgenstern, past president of the exchange, officiated as toastmaster.

C. B. White was the choice of the nominating committee for president; E. R. Bowden, vice-president; C. Stutfield, secretary-treasurer, and Ralph Barron, Harry Briggs, G. R. Thieme, Martin Hevly, Aubrey Wilton, trustees.

Among the invited guests were Governor Hartley of Washington, Mayor Edwards of Seattle, Commissioner Fishback, Chief Manton of Seattle's fire department, Fire Marshal Laing of Seattle.

Members of the exchange were informed that a credit clearing house for eliminating the usual volume of deadbeat business passed around from office to office is being organized by the exchange. A system is being prepared whereby assureds who fail to meet premium accounts would be reported to the exchange.

California Committee Named

President Eugene Battles of the California Association of Insurance Agents has appointed as members of the executive committee: N. B. Swett, Fresno, chairman; Percy H. Goodwin, San Diego; William Menn, Los Angeles; G. Redge Harmon, San Jose; H. J. Thielen, Sacramento; R. E. Cady, Bakersfield; Walter A. Reynolds, Auburn, and L. R. Johnson, Merced. Also on the executive committee as ex-officio members are the officers: Presi-

dent Battles; P. S. W. Ramsden, Oakland, and W. W. Robinson, San Bernardino, vice-president, and Hubert B. Scudder, Sebastopol; Thornton Webster, San Jose, and Donald B. Goldsmith, San Diego, regional vice-presidents.

Plan Blue Goose Relief Fund

SAN FRANCISCO, Jan. 14.—To provide the nucleus of a special fund to relieve stress in the ranks of its members and others in the fire insurance business, the San Francisco Blue Goose will make some radical changes in its annual banquet and ceremonial in March. The Blue Goose Glee Club will provide most of the entertainment instead of professional talent and while not advancing the usual charge, economies will be enforced to give the organization surplus income to meet the present issue.

H. M. Gould on Eastern Trip

H. M. Gould of the general agency of Gould & Gould in Seattle is making an eastern trip. He called last week on B. G. Dawes, president of the Eureka Security F. & M. in Cincinnati. Mr. Gould is general agent for the Eureka Security in Washington.

To Consolidate Offices

SAN FRANCISCO, Jan. 14.—The rumor that the Home of New York companies will consolidate their Pacific Coast offices has been confirmed although nothing definite has been announced as to where the new location will be or what changes will be made in personnel, if any. It is believed that two or maybe three months will pass before the revision of the group's method of operation will be completed.

Examines Associated Companies

The California department is making an examination of the Associated Indemnity and Associated Fire & Marine of San Francisco.

IN THE MOUNTAIN FIELD

Separation Well Under Way

Ruling of Supervisory Committee Respecting Local and General Agencies Being Conformed With

DENVER, Jan. 14.—Activities among local and general agencies of the mountain field indicate that the rule of the supervisory committee requiring separation of these two branches of the business will be well complied with by

March 1, the date set for completion of the task.

J. R. Gardner, president Merchants Fire of Colorado, which has operated both general and local agencies for many years, said steps had been taken to place both agencies within the requirements of the ruling. F. R. Lanagan says the Daly General Agency, Inc., general agents, and the Thomas F. Daly Agency Co., local agents, both established by the Daly interests, are operated under two separate corporations. He contends that the spirit of the ruling has already

been complied with. Reed Pennington, head of Reed Pennington, Inc., general agents, announced that the broker's license held by his firm had been abandoned Jan. 1, thus eliminating him from the local field. Previous announcements carried news of the clearing of Standard & Main and Cashman & Evans, both of whom had operated general and local agencies for years.

Higher Standards Sought

Colorado Springs Board Offers Field Men Cooperation in Appointment of Local Agents

DENVER, Jan. 14.—Steps are being taken by the Colorado Springs Insurance Board to raise the standard of efficiency among local agents. Letters have been sent to field men of the mountain area, offering to aid the latter in choosing agents of higher type.

"Service to the public," said the letter, "is an important factor in the fire and casualty business. Yet the practice is followed by many general and special agents of the appointment of local agents who have little actual knowledge of insurance, and very little ability or facility to give service. We believe it is unfair to the companies, the public and other agents who are familiar with the intricate details of this business and maintain organizations to render service to have poorly informed persons representing the companies. We ask that the practice of appointing the latter be discontinued."

"This board, through its officers and members, stands ready to cooperate with state and general agents in securing and giving information referring to qualifications of prospective agents, and invites you to use the facilities of the Colorado Springs Board in securing information on prospective agents."

Gossage in Denver

DENVER, Jan. 14.—Clyde Gossage from the Union Indemnity home office, was here last week conducting the bi-monthly school of Cobb, Miller & Stebbins, general agents. Subjects treated included forgery, fraud and protective bonds and accident insurance. Field men of the Denver firm came in from

Wyoming, New Mexico and Colorado to attend the lectures.

Howe Transferred to Denver

DENVER, Jan. 14.—E. D. Howe, Portland, Ore., is being transferred temporarily to this city by the General of Washington to assume charge of its office here. Upon his arrival, M. P. Givens of the local office will take up field work in the mountain territory, succeeding R. E. Perry, retired.

Mountain Field Club Committees

DENVER, Jan. 14.—Carl Rutledge, state agent for the North British & Mercantile, was elected to a two-year term on the governing committee of the Mountain Field Club last week. The holdover members of the committee are Guy Gardner, secretary Merchants Fire, and Roy G. Harris, Hartford state agent.

New members chosen to serve on the automobile committee are F. R. Lanagan, Daly General Agency; B. E. Moreau, St. Paul Fire & Marine, and W. D. Phoenix, Royal. Reed Pennington and B. M. McDonald, Aetna, are the holdover members.

Heltzell on Holiday Trip

A. C. Heltzell of Denver, independent adjuster, spent the holidays with relatives in St. Louis and then went on to Chicago to visit old friends. Mr. Heltzell formerly traveled out of Chicago as a field man.

Salvage Office Opens

The Denver office of the Underwriters Salvage Company of New York has been formally opened in the Gas & Electric building. The office is in charge of F. L. Henkel, special agent, under the supervision of George G. Scarlett, general agent of the salvage company's Pacific Coast department. From this office the salvage company will bring its sales, salvage, inventory, evaluation and advisory service to Colorado, Wyoming, Utah, southern Idaho and southern Montana.

Guy N. Gardner, secretary of the Merchants Fire, left last week for a six-weeks production trip through California, Oregon and Washington.

EASTERN STATES ACTIVITIES

Hinkley Gives Suggestions

Tells Local Agents They Should Unearth Uninsured Valuations of Property Owners

R. G. Hinkley, manager of the New England department of the American, in a talk before the local agents at Lewiston and Auburn, Me., gave an address on the right kind of competition between agents. He urged agents to look after hitherto uninsured valuations. At first an agent should look over his present business and see that all of it has been written correctly and at the lowest cost legitimately possible. Then he gives this advice:

Get After Uninsured Values

"Then dig up your present customers' uninsured values and do your best to insure them. Do not be afraid to put time in on this, only to find that one of your brother agents finally lands it. You'll get one on which he broke the sales resistance. The more agents talking net earnings, rental value and windstorm, the more readily they sell for every agent."

"Incidentally, the new supplemental contract for dwellings, giving almost complete coverage, is one where this kind of competition benefits everyone to a great degree. On any dwellings placed in more than one office, every agent is working for all concerned. Where does

the new agent come in on this? He just doesn't if this kind of competition goes into effect unless he knows the business as he should. If some one of you is not 'up to snuff' a better informed agent may take your place!

Should Know His Business

"What I say now may seem as if I am recommending hari-kari. If the same new agent comes to you, says he doesn't know rent insurance very well, for instance, and asks you for information, tell him all about it! If he's going to sell it to the public, excellent, but have him sell it correctly while he's at it. Nothing worse for you and the whole insurance business than a single policy outstanding incorrectly written—a potential lawsuit."

"In this brand of competition publicity should not be obtained the same as David got his—by using a sling shot."

New York Mayors Seek City Self-insurance Legislation

ALBANY, Jan. 14.—The New York state conference of mayors in its recommendations to the governor and the legislature of 1931 renews its recommendation for authority to engage in municipal self-insurance by the enactment of a law prescribing how municipal insurance funds may be established and maintained, so as to insure the perma-

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nency of such funds and their efficient operation when established.

Another recommendation treats with the problem of over-insurance: "The ease with which owners can obtain insurance against fire loss far in excess of the value of the property covered, is responsible for much incendiarism in this state. We urge the legislature this year to enact a law, recommended by the committee, which will require insurance agents and brokers and the owners of insured property to give to fire or police chiefs of cities any information about insurance he may request. It is believed that such a law will greatly help to reduce the number of fires, for which over-insurance is responsible."

B. & L. Men Discuss Insurance

A number of insurance topics were discussed last week at the centennial rally of New Jersey building and loan associations at Trenton. "Fire Insurance," "Insuring the Borrower" and "Non-Insurable Property" are among the subjects on the program. Among the speakers were F. H. Smith, commissioner of banking and insurance, and Albert Schurr, vice-president at Newark for the North American Life of Chicago.

Winant Opposes Consolidation

CONCORD, N. H., Jan. 14.—Following immediately upon the recommendation of C. W. Tobey, retiring governor of New Hampshire, favoring a consolidation of the insurance and banking departments, the new governor, J. G. Winant, in his inaugural says: "The question of consolidation of at least two major departments is before you. I feel that in dealing with the department of banking and the insurance department efficiency of service is more important to the public than effecting economies."

Murray Agency Reorganized

The Murray Insurance Agency has been organized at Burlington, N. J., to succeed the agency of E. T. Murray, who recently voluntarily went into a receivership because his assets were frozen. The receiver has been discharged and the agency will continue under the management of Mr. Murray.

Dunham New Haven Speaker

NEW HAVEN, CONN., Jan. 14.—The annual meeting of the New Haven Association of Insurance Agents will be held Jan. 19. Commissioner Dunham will be present and is expected to be a speaker.

Insurance Men at Dinner

A number of prominent insurance men of Newark attended the annual banquet of the Bond Club of New Jersey Jan. 14. They included C. W. Bailey, president American of Newark; J. R. Hardin, president Mutual Benefit Life; E. J. Heppenheimer, president Colonial Life, and Julian S. Rippel. E. D. Duffield, president Prudential, was the guest speaker, his topic being "The Establishment of Justice."

Rochester Fire Loss Given

ROCHESTER, N. Y., Jan. 14.—Fire losses in this city for the first 11 months of 1930 totaled \$1,137,757, as against \$880,599 reported for the same period of the previous year, a record as pointed out by the agency of R. S. Paviour & Son, being one that will not entitle the city to "any fire prevention medals."

Newark Safety Course

NEWARK, Jan. 14.—The annual safety course for industrial executives, engineers and supervisors, sponsored by the Newark Safety Council, started last week and will continue to Feb. 17, dealing with accident and fire prevention. Among the speakers are C. M. Senft, acting superintendent engineering and inspection department Globe Indemnity,

Twenty-five Years



JAMES L. CASE

James L. Case, well known local agent at Norwich, Conn., famous as an ex-president of the National Association of Insurance Agents, enthusiastic convention, is celebrating this year the 25th anniversary of the establishment of his agency. The Case Insurance Agency started Jan. 1, 1906.

home office, on "Industrial Falls," and G. E. Stecher, special agent Commercial Union Assurance, "Where Fire Prevention Fits In."

Diplomas certifying attendance at the fire prevention lectures held under the auspices of the Hudson County Safety Council were awarded at a graduation banquet in Jersey City. Mr. Stecher was chairman. T. Alfred Fleming of the National Board was the guest speaker.

Sharp Takes Over Duties

ROCHESTER, N. Y., Jan. 14.—T. A. Sharp was installed as president of the Rochester Insurance Underwriters Board at its annual meeting last week.

IN THE CANADIAN FIELD

State Marine Cover Sought

Saskatchewan Official Claims Present Rate from Port Churchill Is Prohibitive

REGINA, SASK., Jan. 14.—J. A. Merkley, minister of railways, labor and industries for the province of Saskatchewan, in dealing with ocean rates, stated that while no provincial government has any jurisdiction in the matter of the arrangement of these rates or marine insurance rates, the Saskatchewan government considers that the rates from Port Churchill on Saskatchewan grain should not exceed ocean rates in effect from Montreal during the test period last fall.

In the matter of marine rates from Churchill, it is his belief that the present marine insurance rate of 5 percent is prohibitive to the success of the route, and that a substantial reduction should be arranged. In the event of the failure of Lloyds or other marine underwriters to name a satisfactory marine insurance rate on cargoes of grain and other export traffic on the Hudson Bay route to British and Continental ports, a policy of marine insurance by the federal government was advocated.

Battle Agencies of Calgary have been appointed general agents of the Providence Underwriters of the Providence Washington for the province of Alberta.

F. L. Greeno, retiring president, was presented with a gift in token of his three-year term as president. The board has 68 office members, 14 Monroe county members outside of Rochester and 46 brokers and solicitors.

Baltimore Losses Two Million

BALTIMORE, Jan. 14.—The fire department last year had its busiest year since the great Baltimore conflagration of 1904, the fire board reports. Losses for the year totaled nearly \$2,000,000, exceeding the 1929 figure by \$400,000.

Mutual's President Dies

H. J. M. Jones, 65, president of the Green Mountain Mutual Fire, and a prominent business man of Montpelier and Barre, Vt., died of a cerebral hemorrhage in the Boston office of a granite company of which he was also president. He was 65 years of age.

Philadelphia Meeting Postponed

PHILADELPHIA, Jan. 14.—Continued illness of Percy H. Goodwin, president of the National Association of Insurance Agents, has caused still another postponement of the meeting of the Philadelphia association. Originally planned for December, the meeting is now listed for February. It is expected that the proposed new agency agreement will be passed on at the meeting.

New Field Club Formed

The New Jersey Field Club has been organized with these officers: Paul Thompson, president; John Munroe, vice-president; C. H. Houghton, treasurer, and J. A. Arneth, secretary. The executive committee includes Samuel Reiter, P. G. Burleigh, W. H. Frasier and John Arneth. Meetings will be held at Trenton the first Monday of each month. Membership is open to those engaged in field work in the state for fire, marine and automobile companies. The club has about 100 members, and the number is expected to be increased materially.

A. H. Owen of West Orange, N. J., has bought the MacIntosh Agency there. H. J. McKay, Rochester, N. Y., insurance man and member of the assembly, has been elected potentate of Damascus Temple of the Mystic Shrine.

Fulton Fire Enters Canada

The Fulton Fire has been licensed in Canada. A. M. Stewart, Montreal, has been appointed Canadian chief agent. United States companies licensed in Canada in 1930 include the Camden Fire, Central Union, Chicago Fire & Marine, Citizens of New Jersey, Cosmopolitan Fire, First National, Germanic Fire, Michigan Fire & Marine, National Liberty, Ohio Farmers, Philadelphia Fire & Marine, Pilot Reinsurance, Virginia Fire & Marine, and United Firemen's.

McLeod Gets Sentinel

The Alfred W. McLeod general agency of Vancouver and New Westminster has been appointed general agent for the Sentinel Fire.

Ottawa Agents Elect

The following officers were elected at the annual meeting of the Ottawa Fire Insurance Agents Association: T. E. Clendinnen, president; Alan Gill, first vice-president; Frank Ault, second vice-president. The executive committee is composed of Cyril Currier, J. F. Desloges, D. Gardiner, C. B. Hudson, S. Mulligan and J. G. Shaw.

May Reduce Windsor Cover

A plan by which Windsor, Ont., will eventually carry its own insurance on all city buildings and schools is being

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worked out by Mayor Croll with the co-operation of the board of education. Mayor Croll's proposal is that the fire insurance policies on city buildings be reduced from year to year and that the city gradually create a sinking fund to carry the insurance. As a start he plans to drop all policies on the fire stations and will cut the totals on police buildings.

Agricultural Is Admitted

Admission to the Canadian provinces of Alberta, Saskatchewan and Manitoba has been made by the Agricultural and once the desired licenses be granted the company will be represented in conjunction with the established department at Winnipeg of the Boston and the New

Hampshire of which George J. K. Irvine is manager.

Canadian Managerial Changes

Robert C. Borland, formerly claim adjuster of the General Accident, has been appointed manager of the Calgary branch, succeeding J. G. Butler, who has been transferred to the Edmonton branch.

Daryl Peters has retired as manager of the Montreal office of the Fidelity of Canada, and the office will now be under the joint management of F. D. Maxwell and W. E. C. Irwin.

The United Firemen's has been licensed in Canada with J. B. Paterson of Montreal as chief agent.

MOTOR INSURANCE NEWS

New Auto Scale Control Bill

Would Settle Michigan Rate War by Having Insurance Department Govern Schedules

LANSING, MICH., Jan. 14.—Complete control of automobile rates in Michigan would be vested in the commissioner of insurance under provisions of a bill framed for introduction at the current session of the state legislature.

The measure is understood to have been prepared by counsel for some of the Michigan carriers whose desperate efforts to end the rate competition being furnished them in this territory by the big eastern fire companies have so far proved futile.

The bill, if enacted into law, would admittedly terminate the rate war as Commissioner Livingston is known to be in favor of reestablishing stable and adequate rates for all carriers. As the big fire companies, in retaliation for persistent rate cutting over a period of years by the home carriers, slashed full coverage collision rates 50 percent last May and also trimmed 25 percent from the fire and theft schedules, the present rate situation is considered decidedly dangerous to the continued existence of many of the Michigan specialty companies.

Would File Forms

In addition to requiring the filing by every company of its rate schedules and their approval by the commissioner, the measure provides for filing of policy forms, sets forth the terms under which the services of rating bureaus may be used, furnishes facilities for hearings in event of rate disapprovals and subsequent appeal to the circuit court, if necessary, and carries a financing provision in the form of a \$2 annual fee to be paid for every agent of a Michigan carrier writing auto business.

Since the Michigan carriers write casualty lines also, there will probably be an effort made to alter the law in regard to premium reserves. The commissioner has power to order claim reserves strengthened under the present law, actuaries point out, but premium reserves are figured on the premium collected and if inadequate rates are charged the lack of reserves eventually results in an impairment. It has been suggested by some prominent company men and agents that premium reserves of casualty carriers should be established on the basis of benefits contained in the policy rather than on the premium charged.

Wolverine Expanding

LANSING, MICH., Jan. 14.—The Wolverine will make application for license in Maryland, Delaware, and the District of Columbia, within the next few weeks, President R. K. Orr has announced. Application for license has already been filed in Kentucky and the company has been operating in Ohio for some time.

Is Now Tabulating Returns

National Automobile Underwriters Association Is Going Over Replies on Loss of Use

NEW YORK, Jan. 14.—Whether the National Automobile Underwriters Association will sanction the writing of a use of loss-of-use form of policy, is as yet undetermined, the mail vote upon the question not having been tabulated. The submitted proposition was to supply the owner of a stolen car with another of the same seating capacity, and as nearly as possible of the same make and style of the stolen machine until the period of restoration expired. Two or three non-affiliated offices are writing this type of coverage, agreeing in the event of theft to pay the assured \$5 per day, for not to exceed 30 days; or double that sum for an added premium. The charge in the first case is \$5 per annum and for the larger amount, \$10 each year.

Staff Committee Has Meeting

ATLANTA, Jan. 14.—After being continuously in session at this city for several days, members of the staff committee of the National Automobile Underwriters Association have left. The purpose of the gathering, which was attended by Arnold Hodgkinson, San Francisco; E. L. Rickards, Chicago; Claude Patterson, Atlanta, and F. M. Herring, New York, respectively secretaries of the Pacific Coast, western, southern and eastern departments, and by J. Ross Moore, manager of the National association, and A. J. Donohue, its actuary, was the preparation of new fire, theft and collision automobile rates for 1931. Now that the figures have been arrived at, they will be submitted to the various regional committees for review and by the latter in turn referred to the directors of the parent body for final determination.

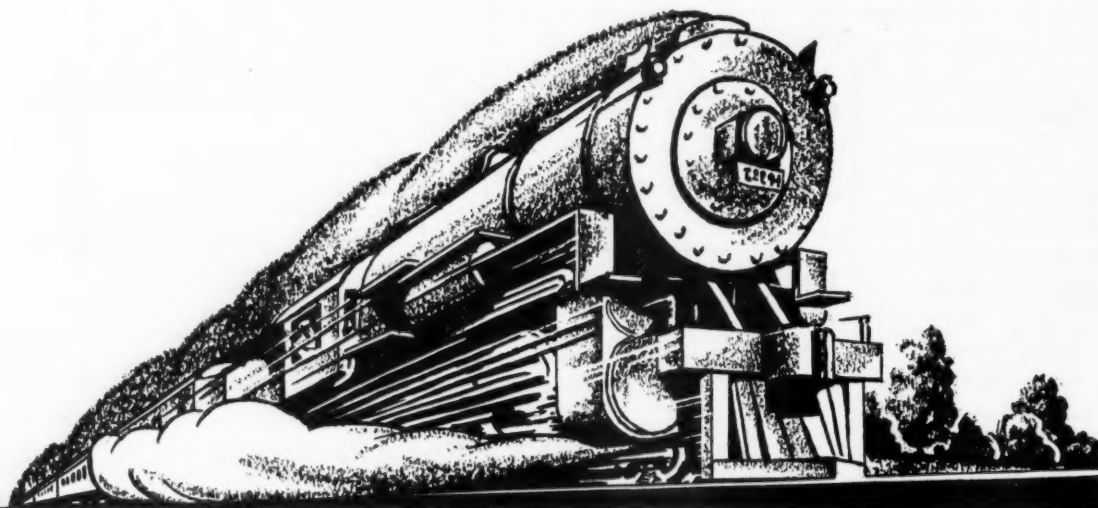
Baltimore Thefts Increase

BALTIMORE, Jan. 14.—Blaming the increase of stolen car figures on a band of thieves which centered its activities on old, decrepit machines which were stripped and sold for junk, officials of the police department announced 251 more cars were stolen in Baltimore in 1930 than in 1929.

Of the 2,924 autos stolen 2,762 were recovered and 162 are still missing. In 1929, 2,673 machines were stolen and 2,601 were recovered, leaving 72 cars still missing.

Asheville Policies Cancelled

ASHEVILLE, N. C., Jan. 14.—Cancellation of all liability insurance on municipally owned automobiles in the police, sanitary, health and fire departments of Asheville has been ordered by the city commission as an economy measure. Approximately \$10,000 per year is expected to be saved this way. Buncombe county recently took a similar step.



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January 15, 1931

CASUALTY AND SURETY SECTION

Page Thirty-one

How Bank of U. S. Hit Consolidated

Deposits \$2,124,831—7,000 Shares Written Off—Depository Bonds

GILCHRIST TELLS STORY

Says Shock Has Been Absorbed and Expects Company to Recover Much in 1931

After reporting the consequences to the Consolidated Indemnity of the closing of the Bank of the United States, President J. F. Gilchrist expressed confidence in his message to stockholders that the full force of the shock has been experienced, retreat to a tenable position accomplished, and "that an excellent showing" for the company is indicated for 1931.

A number of directors were re-elected and new members elected, but the six directors who were also directors of the Bank of the United States and of Bankus Corporation were not re-elected.

President Gilchrist explained that the closing of the Bank of the United States affected the Consolidated Indemnity in three directions. First, the cash funds of the Consolidated to the extent of \$2,124,831 were on deposit in the Bank of the United States. This, the president pointed out, resulted in a drop in the company's surplus to the extent of these deposits and the loss of the Consolidated for some time to come in investment income through the inability of the company to invest these funds.

Depreciation of Stock

Secondly, the Consolidated was obliged on Dec. 11, 1930, to write out of its portfolio entirely 7,000 Bank of the United States shares, resulting in a shrinkage in 1930, in the surplus of the company, as shown on its balance sheet, of \$486,000. On 5,000 of the 7,000 of the Bank of the United States shares the company had previously written off as depreciation in 1929 the sum of \$572,394, which was reflected in the company's balance sheet of Dec. 31, 1929. After having written off that sum, each month during 1930, as the Bank of the United States stock declined, progressive amounts were written off, with the result that on Nov. 30, 1930, the Consolidated was carrying 7,000 shares at a valuation of \$14 per share. When the Bank of the United States closed its doors on Dec. 11 the last and final amount, or \$98,000, was written off.

Depository Bonds

The final connection between the closing of the Bank of the United States and the fortunes of the Consolidated Indemnity, according to Mr. Gilchrist, was the various guarantee bonds on deposits in the Bank of the United States. The net retention of the Consolidated

High Tide of Legislative Insurance Bills Expected

EXECUTIVES ARE PREPARED

Casualty and Surety Association Takes Additional Space in New York—To Increase Staff

NEW YORK, Jan. 14.—In anticipation of a strenuous legislative year, which may prove the greatest ever known to underwriters, the Association of Casualty & Surety Executives has taken additional office space at 1 Park avenue, and will shortly increase its operating staff.

General Manager Jones and his aids will be fully occupied keeping track of measures directly or indirectly affecting casualty and surety interests, and in preparing bulletins to member companies.

The legislatures of 43 states are in session and two others will convene in the fall. In their search for additional sources of taxation lawmakers are usually prompt in pouncing on insurance companies because of their heavy money accumulations. As a rule solons fail to recognize that these funds for the most part are reserves with which to meet actual or contingent liabilities.

Responsibility Proposals

The constant and rapid expansion of motoring has brought insistent demand for compensatory legislation, and it is taken for granted that financial responsibility bills of one kind or another in a few weeks will appear in a score or more states now without such statutes. State fund monopolistic workmen's measures also promise to bob up, several such proposals in fact being under consideration in two important states, each determinedly supported by union labor organizations.

of a \$1,000,000 bond covering general funds of the state of New York in the Bank of the United States was \$180,000. Mr. Gilchrist states that no loss is expected on this bond since the state has a preferred claim against the bank for its deposits and cannot, therefore, fail to receive its money in full from the bank.

The Consolidated was the reinsurer of another surety company on three bonds, the total penal amounts of which aggregate \$50,000. The company's share of the loss on all three bonds will be \$750, according to Mr. Gilchrist, for which amount a claim reserve has been established.

Bond of the New York insurance department covering deposits of liquidating insurance monies amounting to \$7,392, is involved. These, too, are state funds on which the state has a preferred claim.

A bond in the sum of \$3,000 covering the deposits of Walgreen Drug Company, Chicago, calls for payment of \$729. Payment has been made, Mr. Gilchrist has reported.

Loyalty of the Staff

"It would be a fallacy," Mr. Gilchrist concluded, "for me to state that the closing of the Bank of the United States had only affected this company in the

Compulsory Law Considered Serious by New Governor

MASSACHUSETTS MAN'S VIEWS

Disapproves Investigation—Favors Rate-Making Commission With Broad Powers—Considers Abandonment

BOSTON, Jan. 14.—The compulsory automobile liability insurance law of Massachusetts is apparently considered an outstanding problem by Governor Ely, for in his inaugural address he included it among the very few matters of public concern touched upon.

The governor expressed his disapproval of the appointment of an investigating commission on the subject, declaring such action an easy means of shifting legislative responsibility, and expressing the belief that it should be possible to reach a solution without resorting to a commission study.

The governor is of the opinion that with profits practically guaranteed by the law, the incentive to keep down the losses is not the same as though the responsibility for profit rested solely and entirely on the administration of the business.

Deplores Groundless Claims

He deplores the apparently existing groundless and worthless claims and litigation, and asks for legislation to minimize them.

The governor is in favor of a rate-making commission of three to be appointed by the governor having power to examine the books, records and accounts of companies desiring and authorized to do business in Massachusetts.

He states it may transpire that a wiser course will be to abandon the present law and enact restrictive legislation of another sort, or establish a state fund, although a constitutional amendment would be necessary to bring about the latter alternatives.

The way to bring down the cost of insurance, says Governor Ely, is to reduce accidents, claims and litigation and, he concludes, "when we have solved the problem of the unskillful and reckless driver, we will have solved also the insurance problem."

Responsibility Act Sought

The Massachusetts chamber of commerce has filed a safety financial responsibility automobile bill in the Massachusetts legislature, which, if enacted, would repeal the existing compulsory automobile law and substitute for it a law which it is claimed contains the best features of financial responsibility and demerit rating laws in other states.

The chamber of commerce states that practically no one is satisfied with the compulsory law; that it is an experiment, and after a trial of four years has proven a failure and should be discarded.

three aspects just mentioned. It is difficult within the compass of this report to bring home to you the embarrassment which your officers and employees throughout the country have experienced since the closing of the bank. All of your company's personnel, however, have not permitted their great zeal for

Companies Meet on Credit Cover

Rates May Be Advanced Soon As Result of 1930 Experience

LOSS HEAVY LAST YEAR

Business Depression Caused Many Claims, Especially Among Manufacturers and Jobbers

NEW YORK, Jan. 14.—Officials of the American Credit Indemnity, London Guarantee, Ocean Accident and National Surety were in conference here Jan. 12 regarding the credit indemnity situation throughout the country. Although no decision was reached on the question of increasing rates, it may be that an advance will be determined on at another meeting to be held in St. Louis Jan. 27, unless conditions meanwhile show marked improvement.

Loss in 1930 Was Heavy

As might have been expected, the loss record on credit indemnity during the general business depression last year was heavy. Claims were reported from all sections and industries, being especially severe among manufacturers and jobbers.

Salvage in 1930 was considerably less than in normal periods, when stocks taken over were readily marketable at fair figures.

Following mounting losses in 1929, rates for credit indemnity were increased successively in January, August and December of the following year, and it may be that a further advance will be needed if the business is to remain on a stable basis.

Cautious Underwriting Policy

That losses have not been even more severe is a tribute to the extreme care exercised by companies in their acceptance of risks. All four offices writing credit indemnity use a standard form of contract, to which is attached a co-insurance clause ranging from 10 to 33 1/4 percent, use of which is recognized in the rate charged.

the institution to be in any wise shaken. The embarrassment has only spurred them on to greater effort, such is their loyalty to your company. This is not an assumption on my part but is conclusively proven from the fact that the gross premiums (less cancellations and returns) written by your company during the trying month of December, 1930, totaled \$357,031 and that in the first seven days of January, 1931, your company has written \$180,520 gross premiums."

Total assets were reported by Mr. (CONTINUED ON NEXT PAGE)

Unlimited Liability Said to "Shock Common Sense"

LOWER COURTS REVERSED

Distorted Construction of "Omnibus" Provision of New York Law Corrected on Appeal

ALBANY, N. Y., Jan. 14.—Reversing the lower courts and declaring that "the unreasonableness of the construction contended for is so gross as to shock the general common sense," the New York court of appeals has held in favor of the company in the case of *Brustein vs. New Amsterdam Casualty*. The lower courts construed the famous section 109 of the New York insurance law to mean that insurance companies could not limit their liability on personal injury or property damage claims growing out of accidents in which an insured automobile was operated "by any person legally using or operating the same with the permission, expressed or implied," of the owner.

Facts of the Case

In this case Sol Pion had an automobile liability policy with \$5,000 limits on one person in the New Amsterdam Casualty. Mrs. Bessie Brustein was injured by his car and secured a judgment against him for \$8,145. The New Amsterdam defended the case and paid the policy limit to Mrs. Brustein. Her husband, the plaintiff in the case just decided, also sued Pion and the amount of his judgment was \$2,634, covering the loss of his wife's services. An execution against Pion was returned unsatisfied and action was brought against the New Amsterdam Casualty as insurer.

The contention was that under section 109 it was impossible to issue a policy in New York state on any automobile with any limit on the amount of recovery, where the car involved in the accident was driven by anyone with the authority of the owner. The lower courts sustained that contention, which is now declared by the court of appeals to be against common sense.

The controversy grew out of the extension of the "omnibus" provision by legislation. That part of the law giving the injured a right of action against the insurance company in case of the insolvency or bankruptcy of the assured contains a condition that the liability of the company shall not exceed the amount of the policy. The part of the law defining the "omnibus" coverage failed to refer to the policy limits, and therefore the contention was that the policy was unlimited in regard to the "consent" drivers. The court of appeals holds it would be monstrous to say a company could not limit its liability.

How Bank of U. S. Hit Consolidated

(CONT'D FROM PRECEDING PAGE)

Gilchrist at \$6,930,943 after deducting all depreciation. The liabilities, including reserves, were \$399,703 for outstanding premiums, reserve for claims \$1,199,080 and reserve of \$1,743,827 for unearned premium, are set forth as totaling \$5,090,196, thus leaving a capital of \$1,200,000 and a net surplus of \$640,747, or a surplus as to policyholders of \$1,840,747.

Writings of 1930

The statement showed that during 1930 the Consolidated wrote total premiums of \$4,488,688 and received interest and dividends on investments of \$252,129.

The directors who were re-elected are former Governor Alfred E. Smith, W. F. Kenny, George Atwell, President Gilchrist, Executive Vice-President R. R. Rasquin.

The six 1930 directors of the company who were also directors of the Bank of the United States, who were

Solons Consider Plans for Unemployment Insurance

Lawmakers continue to be more interested than insurance companies in establishing an unemployment insurance system, several legislative steps having been taken last week. In Washington, Senator Wagner of New York introduced a resolution providing for the creation of a special committee of Senate and House members to study the feasibility of an unemployment insurance system and a bill providing for the cooperation of the federal and state governments for an initial appropriation of \$100,000,000 to be apportioned among the various states.

Measure in New York Senate

In Albany an unemployment insurance bill was introduced in the New York state senate which is expected to be the foundation upon which unemployment insurance eventually will be built. The bill covers only total unemployment. The employee who has worked for six months would be entitled to weekly benefits not to exceed two-thirds of his pay for a period of not exceeding 26 weeks in any one year. One of the unique features of the bill is that it allows the industrial commissioner to designate regularly licensed insurance agents and brokers to solicit unemployment insurance for the state fund.

Legislation authorizing the issuance of group unemployment insurance policies and the creation of a two-year special unpaid commission on the stabilization of employment has been recommended to the Massachusetts legislature by the state department of labor and industries. A group policy would be issued to an employer covering not less than 50 workmen protecting them against loss of salary and the continuance of employment for not less than a year. Premiums would be paid jointly by the employer and employee and not by the employer alone.

California Plan Introduced

An unemployment insurance plan now has been introduced in the California state legislature. It is sponsored by the California State Federation of Labor and provides for an insurance fund created by joint payments by employers and employees. A worker who remains unemployed for two weeks following his lay off would be entitled to be paid from the insurance fund for a period not exceeding 13 weeks in a year.

An unemployment insurance bill will be introduced in the Ohio legislature this week providing for employers carrying their own insurance. They would be classified somewhat along the lines of workmen's compensation provisions.

Intentional Killing Accidental

The Arkansas supreme court in *Pacific Mutual Life vs. Ware* holds that the killing of a policyholder by another, which was intentional, though not justified, was accidental. The assured was shot and killed by his business partner.

not re-elected are J. C. Brownstone, J. L. Cowen, J. L. Hoffman, C. S. Mitchell, I. H. Rosenthal, Reuben Sadowsky. Six others had resigned before the meeting. They are B. K. Marcus, Saul Finger, I. J. Kresel, A. S. White, A. E. Lefcourt, Gerhard Kuehn.

Ten New Directors

In addition to the re-election of the six directors, 10 new members were elected for 1931. They are J. W. Brushwood, G. W. Donnan and W. A. Nunlist, all vice-presidents of the Consolidated; W. F. Marquardt, comptroller of the company; H. L. Davis, insurance man of Cleveland and ex-governor of Ohio; H. G. Meigs, insurance man of Milwaukee; A. B. Samuels, attorney of New York; R. M. Ferguson, C. F. Zeltner and O. H. Krober.

St. Paul Exchange Attacks Anchor Casualty's Methods

COMPLAIN TO COMMISSIONER

Policyholders' Participation Alleged to Have Exhausted Surplus, Impaired Capital of Company

ST. PAUL, Jan. 14.—Insurance men are awaiting with considerable interest the position Commissioner Garfield Brown will take on a complaint against the Anchor Casualty filed by the Insurance Exchange of St. Paul. In his letter to Commissioner Brown, Secretary W. S. Gilliam of the exchange makes some rather grave charges against the accounting methods employed by the Anchor.

The Anchor Casualty, a participating stock company, was formed three or four years ago by large employers of Minnesota to cheapen their compensation insurance. It has undeniably cut into compensation business deeply and the local agents have now begun to fight back.

Participation Exhausts Surplus

"Early in 1930," Secretary Gilliam says, "the company declared policyholders' participation in 1929 profits in the amount of \$125,157, but as no reserve had been created to meet the participation, it was necessary to charge participation against surplus, exhausting the surplus account, impairing capital in the amount of \$1,641 and causing surplus deficit below the minimum statutory limit of \$51,641."

"On what theory is the policyholders' participation allowed to reach the surplus account?" he asks. "To carry participation profits in surplus is a serious matter."

Specific Points Cited

Then Secretary Gilliam cites several specific points in which he intimates the Anchor has overstepped the bounds of sound and orthodox practice and asks Commissioner Brown if he thinks that:

1. Before closing the year participation reserve should be created, permitting no participation payment in excess of reserve so created.
2. Declaration of participation profits be strictly limited to current underwriting profits.
3. Participation profits in excess of underwriting profits, heretofore paid, be recovered for the surplus amount, \$84,197.
4. Creation of commission reserve to meet commissions to be paid on uncollected premiums.
5. Dividend of December, 1928, be declared unwarranted, ordering the cancellation of stock so purchased, returning \$20,000 to the surplus account.

Thyselius in Higher Post in Hooper-Holmes Bureau

Albert E. Thyselius, for several years manager of the Hooper-Holmes Bureau in Newark, has been made supervisor of the bureau's activities for New Jersey. He began his work as investigator in 1918 with the William J. Burns agency and continued with that organization until 1922, when he joined the Hooper-Holmes Bureau. In 1923 he was placed in charge of the office at Jersey City and when the Jersey City and Newark suboffices merged in 1924 he was appointed manager. His headquarters will be at the Newark office.

L. A. Hanscher, formerly manager of the bureau in Baltimore and for the past three months assistant manager of the Newark office, has been made manager. Mr. Thyselius is a grandson of the prime minister of Sweden during the reign of Oscar II.

Detroit Cabs Without Insurance Impounded

DETROIT, Jan. 14.—One hundred taxicabs were seized by Detroit police last week because their drivers had failed to renew their liability insurance. The cabs will be held in the police pound until their owners post a city bond of \$2,500 on each machine, in accordance with the city ordinance. All the companies were notified a month ago that the drivers would have to renew their bonds before the first of the year.

Firemans Fund Indemnity Seeking Chicago Manager

Eugene F. Hord of New York, executive vice-president of the Fireman's Fund Indemnity, in charge of all business east of the Rocky Mountains, is in Chicago looking over the talent preparatory to establishing a branch office and appointing a manager. Mr. Hord started his insurance career in Chicago in the claim department of the Maryland Casualty when it opened its Chicago office. A. C. Durborow was manager and Attorney Geo. H. Moloney of the Hartford Accident in Chicago was head of the claim end.

Holland Spikes Rumors

C. H. Holland, president Independence Indemnity and Independence Fire, in his annual message to agents urged them to "stamp upon rumors" affecting the stability of banks, insurance companies and other financial and commercial institutions. "Perhaps the spirit of bear—so un-American and yet so rampant at the present time—or perhaps, unintelligent competition, is responsible for these rumors; but, whatever their source, these rumors are doing more to unsettle American business than are all other unsettled factors. Within the past week I have been told of at least a dozen banks or insurance companies or important institutions that are 'on the rocks,' but it isn't true, and the repeating of such unfounded rumors is a menace to America and to the prosperity of the American people."

Receivers Report on Mutual

BOSTON, Jan. 14.—Receivers for the Car Owners Mutual Liability of Boston, which failed last year, D. E. Mayberry and F. G. Katzmann, have filed a report in the Massachusetts supreme court that as of Nov. 1 they have received \$182,530 net assets, and they ask the court to authorize payments totalling \$116,083, including their fees and legal expenses, \$75,258, which would leave \$366,447 on hand. They asked authorization to declare a first, but not final, dividend in substantial amount, and to instruct them as to whether they shall levy an assessment on policyholders. They have petitioned the insurance commissioner, stating that it is inexpedient to declare an assessment, because although there are 65,000 policyholders and the possible assessment would aggregate \$4,000,000, they say probably not more than 5 percent of the policyholders have sufficient means to pay. The receivers expect the mutual can pay 10 percent dividend if no assessment is levied.

Wisconsin Bills Proposed

MADISON, WIS., Jan. 14.—Representative Hilker of Racine will introduce a bill at the coming session of the legislature which will make insurance carriers party defendants in all litigation involving insurance risks. Mr. Hilker will also offer a bill to compel every owner of an automobile operating on Wisconsin highways to carry insurance. His plan is to have existing insurance companies carry these risks.

Reinsurance for Equitable Casualty Is Not Yet Found

FAILURE IS DUE TO FINANCES

Surety and Fidelity Writings Reported to Be Good Quality—Depository Losses Low

NEW YORK, Jan. 14.—Although continued efforts have been put forth by Special Deputy Superintendent Ward to reinsure the business of the Equitable Casualty & Surety, of which he was appointed liquidator some days ago, he has not yet succeeded in concluding such an arrangement.

The business of the institution, aside from its taxicab writings, is reported to be of good quality, especially its surety and fidelity lines, which were under the direct supervision of Vice-president L. E. Mackall. While the company wrote a considerable number of depository bonds, its losses on them have been slight, Mr. Mackall having effected numerous line cancellations some months ago when inkling of the impending trouble in the banking field of the country first began to quietly circulate. The institution, moreover, had a considerable volume of bail bond business, and here again it was fortunate, the average loss experience on the line for a period of six years being reputed as well under 10 percent.

Financial Entanglements Fatal

The failure of the company was brought about by its financial entanglements, and not because of its underwriting. It held 6,000 shares of stock of the Bank of the United States and 1,000 shares of the Chelsea Bank & Trust Company, both concerns now being in the hands of receivers. At the time of the banks' closing the Equitable Casualty had about \$68,000 on deposit with the former institution and approximately \$40,000 with the Chelsea bank.

Licensed in the great majority of the states the casualty company had 52 general agents and maintained six branch offices, the latter being located respectively at Albany, Charlotte, N. C., Chicago, Dallas, Newark and Toledo. Current report to the contrary notwithstanding emphatic denial is made that the Equitable Casualty paid excess commissions, its top allowance to general agents being 35 percent, this included 5 percent for claim handling. That the company had a considerable number of good men in its agency ranks is evidenced by the way in which other companies are hustling to line them up, one of the powerful surety offices of this city detailing five special agents to such effort in the state of Texas alone.

Closes All Agencies

At once upon his appointment as liquidator Mr. Ward, who was formerly a deputy superintendent of the insurance department, and who resigned the office some months ago to join the Equitable Casualty as an executive officer, closed all agencies and branch offices and let out the majority of the head office staff. J. J. O'Connor, an attorney of this city, has been named as counsel to the liquidator and will advise Mr. Ward upon all legal questions involved in the winding-up proceedings. How long a period will elapse before the affairs of the institution are finally disposed of no one can predict; the assumption is however that the process will consume anywhere from five to eight years.

Halsey With National Bureau

Maxwell N. Halsey has been appointed traffic engineer for the National Bureau of Casualty & Surety Underwriters. He was previously state traffic engineer in Massachusetts, and is recognized as an expert in his line.

Senior Reports Year's Work of N. Y. Compensation Board

RATE INCREASE 10.3 PERCENT

Amendments Adopted Defining More Exactly Duties of Officers, Functions of Committees

Amendments to the constitution defining with greater preciseness the duties of the officers and functions of the committees were adopted at the annual meeting of the Compensation Inspection & Rating Board in New York. Leon S. Senior, manager, presented his annual report covering the operations in 1930. Companies elected to the governing committee were the United States Fidelity & Guaranty, Travelers, American Mutual Liability, Liberty Mutual and the State Insurance Fund.

Mr. Senior advised members that the pure premium level underlying the revised rates has been keyed to the loss ratio experience for the policy year 1928 and reported in response to a special call and developed through an ultimate 1930 basis. The year 1928 was selected as an index on the theory that the policy years 1926, '27, and '28 would not produce adequate rates. The experience for policy year 1928 showed a sharp increase over that of the previous year and also over the average for the last three available years.

Furthermore, Mr. Senior reported that the data before the actuarial committee brought down to June 30, 1930, and supplemented by the 1929 New York Casualty Insurance Exhibit, gave substantial evidence that this unfavorable experience continued in the policy years 1929 and 1930. It was also advisable, he said, to base the medical rate level on the year 1930, because the average indications of the three latest policy years would not produce adequate medical pure premiums. The revision produced a net increase of 10.3 percent in the rate level.

Death of E. C. Waller

E. C. Waller, 85 years old, president of the North American Accident, died this week. He was one of the pioneer real estate men of Chicago. He was president of the Central Safety Deposit Company which he founded and which built the Home insurance building and the old Tacoma building, the forerunners of modern skyscrapers.

Insurers Reward Teller Who Frustrated Bandits

At the instance of a local agency in Kansas City, Mo., the companies participating in and the agencies interested in placing a banker's blanket bond on the Plaza Bank of Commerce in Kansas City have paid a reward of \$500 to the teller of that bank, who frustrated an attempted robbery. The teller is Ernest Glenn.

When two bandits entered the Plaza bank, Glenn jumped below the counter and discharged a tear gas revolver and the bandits fled.

"Bank robberies seem to be so successfully pulled off these days," the agency which suggested the reward stated, "that it occurred to us this young hero's action should prove an inspiration to other bank employees."

The companies which placed the bond are the Employers Liability, Fidelity & Deposit, National Surety, Columbia Casualty, Southern Surety, European General, United States Fidelity & Guaranty, Union Indemnity and Maryland Casualty.

Notice of intention to form the Atlas Indemnity of New York has been filed.

Casualty Man Dies



BERT L. WALLACE

Bert L. Wallace, for 30 years a member of the firm of Conkling, Price & Webb, Chicago, and for 12 years a partner in the firm, died Saturday of pneumonia at West Suburban hospital. He was 57 years old.

Mr. Wallace was originally in the western department of the Home of New York under Ducat & Lyon, managers. Later he entered the insurance department of Morris & Co., meat packers, where he was associated with the late R. H. Hunter, head of Rollins, Burdick, Hunter Co.

He joined Conkling, Price & Webb as counterman, later became office manager and continued in this capacity after being taken into the firm. He was a brother-in-law of George D. Webb, senior partner.

His son, W. H. Wallace, is superintendent of the surety department of the Hartford Accident in the west.

Funeral services were held Tuesday in Oak Park, his home for 30 years. Among insurance men at the services was J. M. Haynes, United States manager London Guarantee & Accident, who went to Chicago to attend.

Hutchinson Named American Surety Production Manager

NEW YORK, Jan. 14.—H. N. Hutchinson, for the past 14 years branch manager at Atlanta for the American Surety, with jurisdiction over Georgia, Florida, Alabama and South Carolina has been called to the home office to fill the newly created post of superintendent of production. His function will be to develop the agency organization both of the American Surety and its subsidiary, the New York Casualty.

Prior to going to Atlanta in 1916 Mr. Hutchinson was branch manager at Denver, in charge of Colorado, Wyoming and New Mexico fields. His capacity as a direct business producer and as an agency organizer earned for him successive promotions and guarantees still further success in his new post.

As head of the Atlanta branch office Mr. Hutchinson is succeeded by A. O. Davis, former assistant manager, who joined the American Surety 20 years ago, being advanced to assistant manager in 1922.

Wants Michigan Law Liberalized

LANSING, MICH., Jan. 14.—Governor Brucker recommended that occupational diseases be made compensable in an address to the Michigan legislature.

Strange Death of George McFadden Is Investigated

TO TEST CORONER'S VERDICT

Philadelphia Broker, Who Carried \$1,019,259 Accident Insurance, Died in Bath Tub

PHILADELPHIA, Jan. 14.—The 16 accident companies with whom George McFadden, wealthy cotton broker of this city, was insured are conducting an investigation into his death, which was caused, according to coroner's verdict, from electrical shock while using a vibrator in his bath tub. He carried \$1,100,000 in seven life companies and \$1,019,250 in accident companies.

Inasmuch as McFadden died a few months after the expiration of the contestable period, the life companies are not participating in the inquiry. He did not carry the double indemnity feature in his life insurance contracts. The life companies on the risk are the Mutual Life of New York, Connecticut General, New England Mutual, Berkshire Life, Canada Life, Penn Mutual and National of Vermont. J. H. O'Rourke, Jr., who has been appointed to handle the investigation, explains that this is the usual routine investigation. The coroner's verdict, based on his autopsy, was death due to electrical shock. If the autopsy of the companies, however, reveals that he met death from natural causes, payment will be refused.

Electric Co. Contests

The Philadelphia Electric Company has strongly contested the coroner's claim that the electrical device was responsible. The coroner made tests in his office which appeared to disclose that the device had been short circuited. Members of the McFadden household reported, however, that the vibrator was still operating when the body was found.

It is reported that when Mr. McFadden took out his life insurance more than two years ago his physical condition was such that Mather & Co., agents in the case, had difficulty in placing the business.

The companies on the accident line are the Ocean, Union, Indemnity, New York Indemnity, Independence Indemnity, Globe Indemnity, Phoenix, Royal, Fidelity & Casualty, Lloyds Casualty, Maryland Casualty, U. S. F. & G., Massachusetts Bonding, Southern Surety, Employers Liability, United States Casualty, Metropolitan Casualty and Lloyds of London.

Fidelity & Casualty School Held

NEW YORK, Jan. 14.—Special agents of the Fidelity & Casualty in the metropolitan area were given intensive instruction as to the major casualty lines during the week beginning Jan. 5. The gathering was under the immediate direction of F. E. O'Brien, assistant superintendent of agencies, who was aided by P. A. Sheridan of the accident and health department, W. D. Clark and F. B. Smedes of the burglary division, Roy Bates of the surety department, and L. J. Carling, representing the steam boiler division.

Maryland Commission Reports

NEW YORK, Jan. 14.—The Maryland legislative commission which has been studying automobile insurance for the past three years, recommends a financial responsibility law rather than a compulsory insurance statute.

Adjusters to Hear Reeve

Jay Fred Reeve, Chicago attorney, is scheduled to address the Casualty Adjusters Association of Chicago on Jan. 21 on "The Defense Preparation of a Suit Under the Occupational Disease Statute." It will be a dinner meeting at the Midland Club.



You can't coast thru 1931

The road thru 1931 appears to be uphill
—all the way. To climb requires power.

Power as demonstrated by the energy of
your agency. Power as expressed by the
assistance your company offers to you.

Our Agents are urged to use the various
forms of sales assistance prepared for
you. Ask our Special Agents or write to
the Home Office for help in the sale of
any form of automobile insurance. We
sell it—exclusively!

UNIVERSAL AUTOMOBILE INSURANCE COMPANY

DALLAS, TEXAS

EDWARD T. HARRISON
PRESIDENT

CHANGES IN CASUALTY FIELD

Opening a Chicago Branch

United States Casualty Establishes Its
Office with C. H. Eldredge
Resident Vice-President

The United States Casualty has established a Chicago branch office in 731 Insurance Exchange. Heretofore Eldredge, Carolan, Graham & Cleary have been general agents. The business of this firm will be continued through the United States Casualty branch office under the personal direction of C. H. Eldredge, head of the firm, except that business originated by Carolan, Graham & Hoffman and their brokers. This will be handled by the new firm of Carolan & Graham to be conducted at 817 Insurance Exchange, the firm consisting of Joseph Penn Carolan and A. T. Graham.

Mr. Eldredge is made resident vice-president and is head of the branch office. He has been connected with the United States Casualty for 35 years and opened its first office in Chicago. He has long been prominent in the casualty field. M. J. Scheemecker is made manager of the office. He recently resigned as manager of the Commercial Casualty at San Francisco, a position he held for two years. He was formerly assistant manager of the Standard Accident in Chicago, connected with its bond department. He was connected with the Aetna Casualty office in Chicago for four years. Mr. Scheemecker is a wide awake young man, who has had a fine experience.

Department Heads

T. E. Dunne is manager of the fidelity and surety department, he being well known in the surety circles in Chicago. S. B. Gross, who has been connected with the agency for 14 years, is associate manager of the department. G. M. Rhode, who has been connected with the U. S. Casualty and Mr. Eldredge for 22 years, is manager of the casualty department. George E. Egan, who has been connected with the office six years is manager of the claim department. F. K. Warne is assistant manager of the claim department. E. E. Graebing, who has been associated in the office for 25 years, is chief inspector and G. C. Robinson is payroll auditor. Mr. Scheemecker has been associated with the United States Casualty in Chicago since November.

The firm of Carolan, Graham & Hoffman was merged with Eldredge & Cleary in 1927. John J. Cleary, who was Mr. Eldredge's right-hand man, died a year or so ago. Mr. Carolan is prominent in the political field. Mr. Graham is one of the veterans in the local ranks and for many years was active in the Chicago Insurance Club, serving as its president.

R. K. Lake Leaves Office Job for Personal Production

R. K. Lake has resigned as assistant manager of the Metropolitan Casualty in Chicago to return to the office of W. A. Alexander & Co., where he formerly served in organization work. At this time Mr. Lake is devoting himself to personal production with headquarters in the Alexander office. Mr. Lake joined the Metropolitan Casualty in 1929 and continued with that organization when the Chicago offices of the Metropolitan and the Commercial Casualty were consolidated under Manager W. E. Tucker.

Mr. Lake is enthusiastic in sales work and has made a record as a personal producer as well as a production manager. He has made a fine start in his new work.

Claims Division Is Expanded

Century Indemnity Creates Legal Department in Metropolitan Claim Division—Several Other Changes

HARTFORD, CONN., Jan. 14.—Expansion and growth of the Century Indemnity, particularly in New York, have prompted the establishment of a legal department in the metropolitan claim division in charge of T. A. Saulsbury and A. J. D'Auria. W. F. Kenney has been appointed manager of the New York claim division succeeding Mr. Saulsbury.

Mr. Saulsbury has been manager of the New York claim division since its organization in May, 1927. He is a native of Baltimore and a graduate of Baltimore City college. He studied law at the University of Maryland and joined the Maryland Casualty as adjuster in 1911. A year later he was made manager of the Birmingham, Ala., claim division, which position he held until joining the Century.

H. C. Seitz, formerly manager of the Buffalo claim division, has been transferred to the home office to fill a newly created position of supervisor of the branch divisions. To fill the vacancy at Buffalo, C. A. Kelso, Jr., has been transferred as manager from manager of the Richmond, Va., claim division. G. D. Taylor, now an adjuster in the Richmond division, has been promoted to manager.

The company has opened a new branch claim division at Cleveland, with C. L. Rhodes as manager. Mr. Rhodes was formerly manager of the Tulsa, Okla., claim division, which position will be filled by W. K. Johnson.

At Syracuse, N. Y., a new claim division has been opened with N. H. Reynolds, formerly a member of the Chicago claim division, as manager.

Union Indemnity Assigns F. L. Foley to Wisconsin

The state of Wisconsin, which has heretofore been under the direct supervision of the home office of the New York Indemnity and Union Indemnity, has been placed under the jurisdiction of the Chicago office of those companies with H. N. Douglass and J. M. Hogle as managers. F. L. Foley, who has traveled southeastern Wisconsin for the Standard Accident, has been appointed special agent for the entire state by the New York Indemnity and Union Indemnity. His headquarters will be in Milwaukee in the office of the claim department of those companies in the Brumder building.

The Union Indemnity in 1925 purchased the Northwestern Casualty & Surety of Milwaukee and retained most of that company's agency plant. The state will now be more aggressively cultivated.

Before joining the Standard Accident, Mr. Foley was in charge of the insurance and credit department of Montgomery Ward & Co.

Century Indemnity Chicago Office

The Chicago office of the Century Indemnity, under the direction of C. W. Maydwell, manager, is now located in room A-2129 Insurance Exchange. Due to the steady expansion of this branch office, including the underwriting, bond and claim departments, the former headquarters became inadequate for the efficient handling of the Chicago territory.

Hardware Mutual Expands

The Hardware Mutual Casualty of Stevens Point, Wis., has opened branch offices in Atlanta and Dallas and has

expanded its Minneapolis office.

The Atlanta office is in charge of W. E. Treichel, formerly of the Milwaukee office, and J. C. Burns is claim manager.

In charge of the Dallas office is B. W. Malherbe, formerly of the Fond du Lac office, with Gordon Dopp as claim manager.

The Minneapolis office has been increased to a Minnesota department.

Casualty Changes Notes

J. L. Meely, formerly assistant to the manager of the American Surety in Cincinnati, has been assigned as special agent to the branch office of the United States Fidelity & Guaranty in Toledo, O.

H. P. Reinhold has joined the Stratton Insurance Agency, Lansing, Mich., as adjuster of casualty and surety claims. He was formerly with the United States Fidelity & Guaranty in Detroit.

Casualty Company Activities

To Coordinate Investments

Adams, Financial Man, Goes With Lloyds Casualty Group to Formulate Uniform Policy

Coordination of the investment policies of the four companies in the Lloyds Casualty group is the task which has been assigned to W. B. Adams, who has resigned his connection with E. H. Rollins & Sons, investment bankers, to join the Lloyds Casualty group. Mr. Adams has been in the investment business about 22 years, most of that period in New York.

It is pointed out that various investment policies are represented in the Lloyds Casualty organization. The old Lloyds Plate Glass had its securities and these were augmented when it was purchased and refinanced as Lloyds Casualty under control of new interests, which in turn sold it to the present controlling interests. The Federal Surety had a similar experience and the Cosmopolitan Fire had its original investments made before the present interests acquired it. The Detroit Fidelity & Surety also has hold-over investments.

The report is that the finance committees of the four boards are now composed of practically the same men, or will be soon, and Mr. Adams will recommend to the finance committees changes which will tend to construct a uniform investment policy for the entire group.

Integrity Mutual Casualty Receivership Is Near End

Receivership of the Integrity Mutual Casualty of Chicago, which has been in process since May 29, 1926, is being brought to a close, all but six outstanding claims having been adjudicated, according to E. J. Hennessy, attorney for Clarence F. Buck, the receiver.

In answer to a petition filed by the receiver asking the instructions of the court, Federal Judge Wilkerson some time ago entered an order to the effect that the receiver should not collect assessments from policyholders. All of the policies of the Integrity Mutual Casualty were issued with non-assessable endorsements and Judge Wilkerson pointed out that, although the mutual plan of operation might be proved to invalidate the non-assessable feature, the legality of the assessment would be subjected to numerous and long litigation. The expense of attempting to collect assessments would not be justified, according to the court, and the liquidation of the company would be delayed for perhaps five or six years.

Although an assessment will not be levied, policyholders as of the date of appointment of the receiver, were re-

quired to pay the premiums until the expiration of the policies.

American Surety Report

The American Surety reports total assets at the close of 1930 of \$27,048,223. This figure was arrived at by reducing the value of the company's estate holdings to \$8,300,000 and valuing the stock held by the company at cost except those stocks of subsidiary companies where the values used were par or cost. In each case this figure was less than the book value.

The American Surety reported a reserve for unearned premiums of \$7,022,007; for contingent claims of \$5,148,054;

for taxes and other liabilities of \$1,711,068, thus leaving a net surplus of \$5,667,026, in addition to the capital of \$7,500,000 or a surplus as to policyholders of \$13,167,025.

Kentucky Casualty to Start

The Kentucky Casualty of Louisville has not yet completed its sale of stock and has not started writing business. It expects to complete its organization and begin writing automobile insurance within the new few weeks.

Applying in Many States

Applications for license have been filed in Pennsylvania, Michigan, Ne-

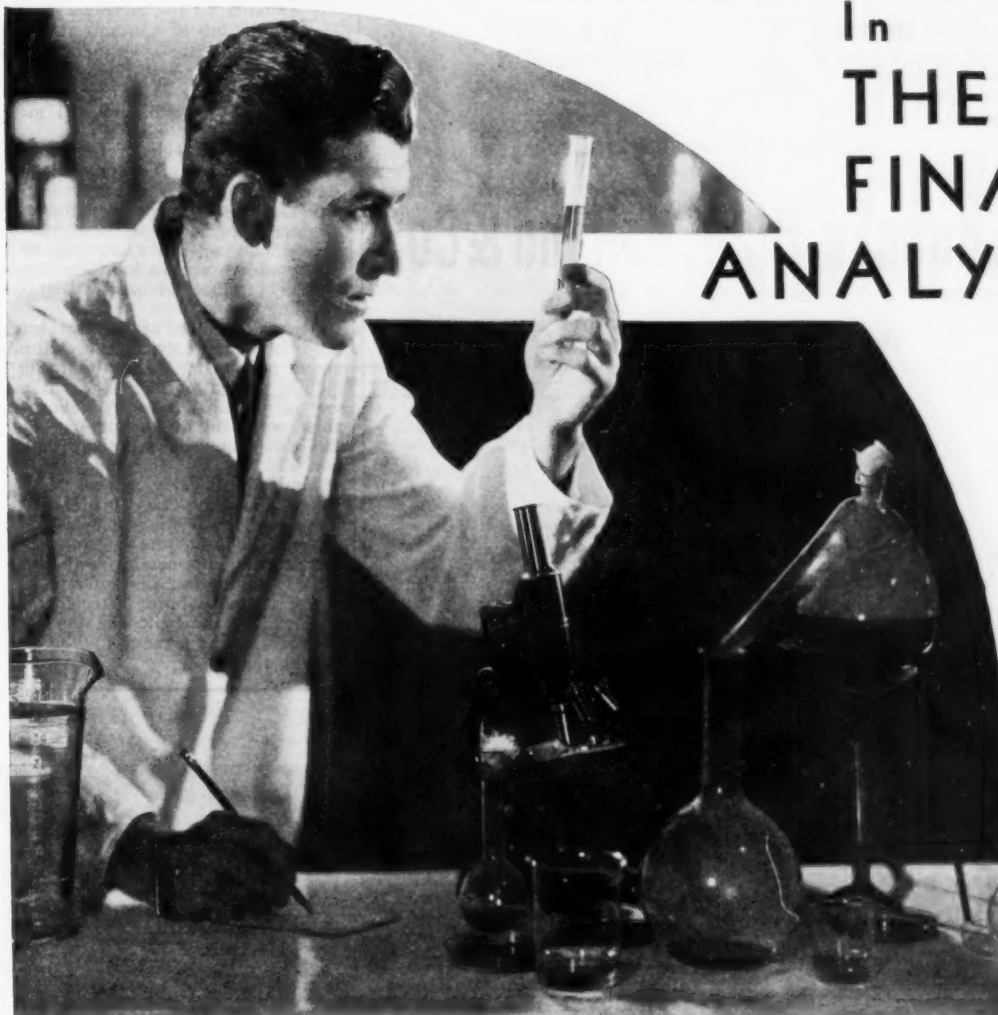
braska, Iowa, Tennessee, Florida and British Columbia by the Fireman's Fund Indemnity. It is now entered in 21 states and the District of Columbia.

Casualty Company Notes

The Hartford Steam Boiler has completed plans for a national advertising campaign.

The Mercer Casualty has been licensed in Washington. It also contemplates entering Oregon and Idaho.

R. C. Neal has been made Buffalo manager for the James S. Kemper group of mutual companies of Chicago. He has been connected with the Kemper office since Feb. 15, 1920. He early specialized in automobile business, but branched out into general lines.



In THE FINAL ANALYSIS

it's specialization that counts!

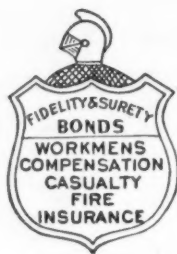
Discoveries often vital to life itself hinge upon the exhaustive researches and experiments of the chemist. His skill as a specialist is the result of long, intensive study and practical experience.

For over forty years the F&D has specialized in the underwriting of Fidelity and Surety Bonds and Burglary Insurance. Most of its underwriters and many of its field officials have grown up with the Company. Its special agents are given an intensive course of training at the Home Office before being sent into the field.

The specialized training and long experience of the F&D's organization makes possible prompt, authoritative action--a distinctive feature of F&D service which, in these days of keen competition, is of inestimable value to the Company's representatives.

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ACCIDENT AND HEALTH FIELD

Sympathy for Agents Needed

W. E. Webb, Addressing Chicago Accident Managers, Deplores Over-Pessimistic Attitude on Business

The need for a more sympathetic attitude on the part of managers toward the problems of agents just at this time was emphasized by W. E. Webb, executive vice-president National Life, U. S. A., speaking to the Accident & Health Managers Club of Chicago at its meeting Monday. He said that there is a tendency to discount the agent's statements, which sometimes causes the manager to overlook the real merit of his contention.

On the other side of the picture, he urged that when the companies themselves are going through a period of stress and exerting every effort to secure economy in operation, the manager should consider every step he takes as though it were his individual business instead of the company's that he is handling.

Along the line of general business conditions, he deprecated an attitude of undue pessimism, stating that the attitude of the nation as a whole is merely that of its individuals. A feeling of too great optimism on the part of individuals was responsible for the over-expansion of 1929 and too much individual pessimism will delay recovery.

Announcement was made that the club's evening meeting will be held Feb. 19, probably at the Germania club. March 9 a joint meeting with the Casualty Field Club of Chicago will be held at the La Salle hotel. Accident insurance will be the topic and the accident managers are to arrange for the speaker at that meeting.

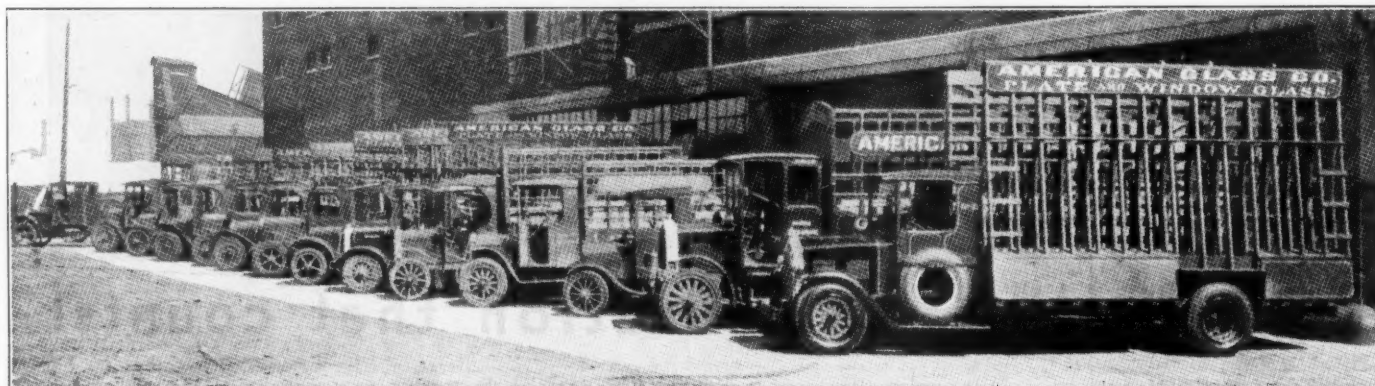
Decrease in Premiums Seen

Drop Will Be Mainly on Health Business, Company Officials Say—Loss Ratio for 1930 Higher

While it is generally conceded that the total volume of accident and health premiums for 1930 will show a decrease as compared with the 1929 figures, some companies claim that the decrease will be almost wholly on the health side. Many of the larger companies have been cutting down materially on their health business, which will of course be reflected in the total figures for the class. Several companies say they have about broken even on their accident business and the gain in that line, where any is shown, will not be sufficient to offset the loss in health premiums.

The loss ratio undoubtedly will be higher than for the preceding year. Death claims have been running especially high in recent months. One of the big multiple line casualty companies, which has always given special attention to accident and health insurance, reports that its death claims for December alone are \$125,000 higher than for the same month of 1929. These claims, of course, include a considerable number of a suspicious character.

One case of this kind, in which three companies were involved, the largest claim being for \$45,000, was that of a man who was found dead in his garage from carbon monoxide poisoning. This man employed a chauffeur who lived over the garage and of course ordinarily had his chauffeur get out the car. In this case, for no discoverable reason, he had gone out and started the car himself in a closed compartment of the garage. On account of the suspicious



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circumstances in the case, the companies were able to settle for one-third of their total liability.

Is Expanding Its Operations

W. M. Chittenden & Co., specialists in deferred payment protection, have been named as managers for the deferred payment department of the United Casualty of Westfield, Mass. The Chittenden Company will deal directly with the agents of the United Casualty in handling this particular form of business. The Cincinnati company is expanding its business in this field and is negotiating similar arrangements with a number of other companies.

Martin Company's New Men

The H. D. Martin Company, specialist in accident and health group insurance at Cincinnati, has added two men to its board. They are A. C. Wehl, general manager Pollack Steel Company, and H. G. Hill, leader of New South Temple in Cincinnati. The Martin company is doing business in five states. Its headquarters are in the American building.

May Fight Condemnation

Oury Harris, president of the Dixie-Atlas-Republic of Nashville, Tenn., states that the company will probably fight the efforts of the Nashville board of education to condemn its home office building and grounds as a site for a new high school. The company purchased the property with the idea of making it a permanent home and does not want to sell it. It set what it considered to be a fair price for the property, but the school board holds that it is too high.

Newell Stone in A. & H. Work

Newell Stone, who has been manager of the Fidelity & Casualty southern New Jersey branch at Camden, has been appointed manager of the newly organized accident and health department of the Commercial Casualty and Metropolitan Casualty in their Philadelphia office. Mr. Stone is a nephew of the founder of the Maryland Casualty and began his insurance career with that company at its home office. In 1924 he joined the Fidelity & Casualty.

Accident Notes

The annual statement of the Life & Casualty of Nashville will show a gain in assets of more than \$1,250,000, President A. M. Burton states. The gain in ordinary life business for Tennessee will show a greater gain for 1930 than any year in the past five.

Thomas E. Browne has been appointed district manager for the Mutual Benefit Health & Accident and the United Benefit Life with headquarters at 502 Southern Ohio Bank building, Cincinnati. He will have in his territory Hamilton, Clermont, Butler and Warren counties.

Boston Mutual Passes Up Dividend on Auto Policies

BOSTON, Jan. 14.—Much interest has been shown in the announcement of the Twin Mutual Liability of Boston that its directors have deemed it advisable not to declare any dividend on compulsory automobile liability insurance policies in Massachusetts for the year 1930.

President D. K. Webster, in his announcement, says: "As dividends on this class of business must be declared only from the net earnings of that particular class and, inasmuch as the operations of your company in 1930, under the compulsory insurance motor vehicle law, resulted in a loss experience less favorable than usual, due largely to the inadequacy of the rates, your directors deem it inadvisable to declare any dividend on policies of that period."

The announcement also says that another important factor which leads the directors to this conclusion is the marking down of securities to their unusually low valuation of Dec. 31, 1930.

FIDELITY AND SURETY NEWS

Wisconsin State Fund Sought

Proposals Covering Both Depository Forms and Bonds for Public Employees Likely to Be Presented

MADISON, WIS., Jan. 14.—A bill may be presented to the Wisconsin legislature for creation of a state fund to cover bank deposits for counties and cities. Suggestion of the plan came from C. F. Schwenker, state banking commissioner, who claims that present conditions make such a step imperative.

In one Wisconsin county it is claimed that depository bonds on funds of the county and the municipalities within its limits have been absolutely refused by companies. While admitting the banks in the county are in good shape, they say they can not make an exception by carrying the risk for some small banks when they do not care to give such protection throughout the country.

A bill providing for the state bonding its own employees will be introduced

by Assemblyman J. D. Millar of Menomonie. Under his proposal the state would not only handle bonds for state employees, but the employees of cities, villages, counties and towns as well.

Meet on Great Dam Project

Companies Interested in \$165,000,000 Las Vegas, N. M., Job to Confer With Towner Bureau

NEW YORK, Jan. 14.—In view of the magnitude of the Hoover dam project, surety companies likely to be interested in furnishing the \$2,000,000 bid bond or in the \$5,000,000 contract bond required by the government when bids for the initial units of the work are opened at Denver, March 4, will meet with representatives of the Towner Rating Bureau here Jan. 14 to consider underwriting features of the unusual project.

The dam when completed, and it is estimated seven years will be required, will be twice as high as any other dam

yet built, and as an example of engineering skill will be second only to the Panama canal. It is located 30 miles southeast of Las Vegas, N. M. The total cost will approach the \$165,000,000 appropriated by congress. The surety bonds will be on the government form.

Wisconsin Bankers Protest

New Depository Bond Rules and Rates Cause Complications in State with Good Bank Situation

MILWAUKEE, Jan. 14.—The new restrictions and higher rates for depository bonds which have been made by surety companies have caused complications in Wisconsin awarding state, city and county money to depository banks. Differences however are rapidly being adjusted. While the bank situation in Wisconsin is characterized by surety men as "outstandingly good," they have had to explain to banks that temporarily the state falls in line with the new depository bond rates and rules. In getting state funds, Wisconsin laws allow any bank to take \$50,000 without furnishing bond, the guarantee being in a state fund built up from saving a part of the interest on money allotted to the

THE UNITED STATES CASUALTY COMPANY

announces the establishment of a Chicago office, 731 Insurance Exchange

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Manager

Manager Fidelity & Surety Dept.

Associate Manager F. & S. Dept.

Manager Casualty Dept.

Manager Claim Dept.

Assistant Manager Claim Dept.

Chief Inspector

Payroll Auditor

THE business of Eldredge, Carolan, Graham & Cleary heretofore conducted at the same address, will be continued through this office of the United States Casualty Company under the personal direction of Charles H. Eldredge, except that business originated by Carolan, Graham, Hoffman, Inc., and their brokers will be conducted at suite 817 Insurance Exchange—175 W. Jackson Boulevard under the name of Carolan & Graham, the firm being composed of Jos. Penn Carolan and A. T. Graham.

Your business offered to this office will be given careful, thoughtful and friendly consideration and the facilities of this office will be supplemented by the nation-wide facilities and organization of the United States Casualty Company.

The Chicago office is fully equipped to give complete service in all lines to brokers and agents.

banks. Surety companies, it is understood, are requiring that a bank getting \$100,000 of state money secure a bond for this amount, even though \$50,000 is secured by the state fund.

Solomon Levitan, state treasurer and a banker, comments that the companies "are being too careful." He says "they may cause loss of confidence in banks and bring about much harm." He charges that surety companies often do not even make thorough investigations of smaller banks, but refuse to bond them. C. F. Schwenker, state banking commissioner, says: "The refusal of the companies to bond smaller banks, no matter how good their standing, is inconveniencing the communities and endangering existence of many banks." He believes that it is the state's duty to embark in the surety business and assist the small banks. He points out that the state carries on a fidelity insurance business, and that a surety business carried on with sound business principles would be equally successful.

Disturbed As To Practice

Surety Companies Object to Some Members of Association Taking Cut Rate Reinsurance

NEW YORK, Jan. 14.—Company members of the Surety Association of America and subscribers to the Towner Rating service are not a little disturbed over the continued practice of certain reinsurance offices in accepting facultative lines from cut-rate institutions, aiding the latter thereby in competing with the orthodox type of corporations. One important company lost a line paying a \$17,000 premium through the comfort extended by a reinsurance office, of which it chanced to be a patron. If any reinsurance company desires to deal with non-affiliated institutions the standard surety companies concede its entire right to do so. They maintain however that it is decidedly unethical, to say the

least, for any institution attempting to carry water on both shoulders. If the practice be not speedily ended they are likely to speak very emphatically upon the subject.

Treasurer's Bond Must Be Written for Entire Term

The Wisconsin attorney general's office has delivered an opinion that a county treasurer elected for two years is required to furnish official bond for the full term of that office and there is no authority for his qualifying by furnishing a surety company bond for one-half of his term of office.

A part of the provisions of the treasurer's bond, the attorney general's office points out, is that he will turn over the unexpended part of the county's money at the end of his term, and not at the end of one-half the term, or at the end of any other fractional period of the term. Consequently any bond covering the county treasurer must guarantee performance of that transaction.

Georgia Highway Officials Rule on Limit of Bonds

NEW YORK, Jan. 14.—Late dispatches from Atlanta are to the effect that the Georgia state highway department had ruled that henceforward, in addition to its former practice of limiting to 10 percent of a company's capital and surplus the amount of a bond it will accept from any surety office upon a single contract, it will restrict to 30 percent the sum any company may write upon all contracts running to the department. The ruling governing the amount of individual bond acceptances is in keeping with the policy of most of the states, but the limitation of total coverages is decidedly novel. In the opinion of company executives here one effect of the latter condition will be a

more even distribution of liability, the outside offices probably getting a share of business which heretofore has gone pretty largely to home enterprises.

Aetna Sees Much Salvage In National Bank, Kentucky

The Aetna Casualty announces its belief that the efforts to reorganize the National Bank of Kentucky will produce at least substantial salvage with a possibility that no ultimate loss will be sustained by any depositor or any surety company involved on depository bonds of the institution.

The Aetna Casualty was the originating company on a bond covering a deposit of \$3,224,385 in the National Bank of Kentucky by the state of Kentucky.

This amount plus interest has been paid by the surety companies to the state of Kentucky. The Aetna Casualty participated to the extent of \$300,000, the balance being reinsured among 18 other surety companies.

Had a Tough Experience

Frank H. Warder, former superintendent of banks in New York, who was convicted of bribery some months ago and sentenced to prison, was unfortunate in his choice of companies when securing the bail bond of \$50,000 required during the period when his case was being argued. His first surety was the Capital City Surety, and the next the Equitable Casualty, each of which in turn was found to be insolvent, necessitating the putting up of a new bond which was finally furnished through the Bail Bond Bureau. In each case the unfortunate Mr. Warder had to pay a \$1,000 premium, no portion of which will likely ever be returned him.

Pays Virginia Shortage

As soon as judgment for \$98,807 against the Fidelity & Deposit and W.

Walker, former treasurer of Giles county, Va., was entered in the circuit court of that county last week, the company presented a draft for the amount in full to L. L. Miller, the present treasurer. It requested that the judgment be made a matter of record so that it could proceed against the former treasurer if it desired to do so.

May Reduce Police Bonds

LOUISVILLE, Jan. 14.—An ordinance is being prepared by the city's legal staff reducing the amount of bonds of patrolmen and officers of the police department, as a result of the raise in rates on bonds by indemnity companies from \$10 to \$20 a year for each \$1,000 of bond. It was stated that totals would be reduced from about \$480,000 to less than \$100,000.

Indict Bank Officers

SAULT STE. MARIE, MICH., Jan. 14.—Another probable blow for the surety companies was disclosed during the past week in the return of indictments for two officials of the First National bank of Ontonagon by the federal grand jury here. E. A. Wedan, cashier, and G. A. Townsend, assistant cashier, are charged with misappropriations amounting to \$35,000 through manipulation of entries on drafts on other mid-western banks and through recording false savings account withdrawals. The defalcations reported in Michigan banks since stock market collapse in October, 1929, have exceeded \$5,000,000.

Anti-Guest Bill in Ohio

A bill has been introduced to the Ohio legislature providing that the owner of a motor vehicle shall not be liable for injuries resulting to a guest riding in his car unless the owner is guilty of reckless driving or is driving while intoxicated.

Assets

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BURGLARY — FIDELITY AND SURETY BONDS
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WITH BURGLARY UNDERWRITERS

Join to Stop Bank Burglaries

Interstate Organization Formed—Meets in Des Moines, Jan. 26—Casualty Men Expected to Attend

DES MOINES, Jan. 14.—Banking and insurance interests are working together to develop a method for the prevention of bank robberies and the capture and prosecution of bank bandits. An organization recently perfected is known as the Interstate Bank Insurance & Protective Committee, made up of representatives of state banking associations in Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota and South Dakota. C. C. Jacobson, Sioux City, president of the Iowa Bankers Association, is president of the organization.

The committee will meet Jan. 26 in Des Moines. At this meeting the subject of lower bank burglary insurance rates will also be discussed. It is understood that representatives of several casualty companies have been invited to be present. At the initial meeting of the organization committees were appointed to study protection and insurance proposals from all angles and these will report at this meeting and these reports will form the basis of action to be taken.

Loss Record for the Year

Premium Income on Some Burglary Lines Will Show a Handsome Increase for 1930

NEW YORK, Jan. 14.—Just what the 1930 loss record on the burglary

insurance line will reveal will not be known until reports are available several weeks hence. The general understanding is, however, that the experience has been a severe one, notably with respect to bank hold-up losses, which continue with great frequency despite unusual activity on the part of the police and the adoption of improved vaults and other safeguards by many financial institutions. As a counter, casualty companies report a material gain in premium income on the line, the wide advertising given in the press to hold-ups and burglaries having induced many banks and trust offices to substantially increase their burglary coverage. Moreover a large amount of new business has been written for individuals on safe deposit box contents, the robberies of safety boxes in a Lincoln, Neb., and a St. Louis bank in recent months having impressed their holders as to the danger to which their securities are subjected.

Want Securities Covered

LINCOLN, NEB., Jan. 14.—The recent daylight robbery of the Lincoln State Bank, in which more than \$2,000,000 in securities were stolen, has caused Nebraska company officials to seek greater protection for the securities they have on deposit with the insurance department. Under the law each domestic company must keep on deposit with the state department a fixed amount in securities. Several million dollars of securities are now kept by the department in a vault in the state capitol.

A bill to require the insurance department to carry burglary insurance covering the entire value of the securities is being drafted by the state reference bureau. Senator J. A. Rodman, Omaha company official, will sponsor it.

CASUALTY PERSONALS

The pamphlet, "Fundamentals of Automobile Rate Making," by H. P. Stellwagen, now connected with the home office of the Indemnity Insurance Company of North America, which has been out of print for some time, has recently been reprinted and is being distributed by the National Bureau of Casualty & Surety Underwriters, 1 Park avenue, New York, for 54 cents a copy.

H. W. Reardon, manager of the Newark office of the Metropolitan Casualty, will be the guest-speaker at a meeting of the Camden (N. J.) Real Estate Board Jan. 22. Mr. Reardon, who is recognized as an authority on casualty insurance, has been appearing before a number of agency meetings in the state. He is president of the Casualty Underwriters Association of Northern New Jersey.

George Frederick Childs, eldest son of G. W. Childs of Childs & Wood of Chicago, died at his home in Highland Park, Ill., Saturday. He was 21 years old. He had been in poor health two years.

W. T. Cavanaugh, recently appointed manager of the claim department of the National Bureau of Casualty & Surety Underwriters, has had extended experience in claim handling, his first connection being with the Hartford Accident & Indemnity, the claim division of its New York branch of which he organized soon after the company was formed. He held the connection for some 10 years, following which he engaged in general law practice until the outbreak of the war, in which he saw oversea service. In his present post he succeeds H. W. J. Hargrave resigned to head the claim division of the eastern department of the Fireman's Fund Indemnity. Mr.

Hargrave had been with the National Bureau something over two years, prior to which time he was connected with the Indemnity of North America at its head office.

E. M. Turner, manager of the Chicago office of the Iowa Mutual Liability and Iowa Automobile Mutual branch office in the Insurance Exchange, Chicago, his wife and a girl employed in the Chicago office were killed in an automobile accident near De Witt, Ia., on their way to the home office in Cedar Rapids, Ia., to attend a meeting and party. The girl killed was Miss Sophia Kosi and two other employees in the car, Jack Langdon, special agent, and Miss Elma Hendrickson, policy writer, were injured, the latter receiving a broken leg. Mr. Turner and his party, together with J. S. Chiedo, underwriter in the office, in another car with several others of the staff, were making the trip by road. On approaching a bridge they met a bus. The pavement was icy. Mr. Chiedo avoided the bus but Mr. Turner's car skidded, turning completely around and was struck and carried over 100 feet. Mr. Turner had been manager of the Chicago office for about a year and a half and before that was with the Republic Casualty in Kansas City, his permanent home. Appointment of a new manager in Chicago will be announced soon.

H. V. Upington, Michigan resident manager for the Fidelity & Casualty for many years who has just been transferred to a similar post in the New York branch, was honored by officials and agents of the company and many Michigan insurance men, more than 140 in all, at a testimonial dinner Jan. 10. J. P. Old, president Sault Insurance Agency, Sault Ste. Marie, and chairman



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of the agents' committee, was toastmaster, introducing Ernest Sturm, chairman America Fore fleet; Commissioner Livingston of Michigan, Wade Fetzner, vice-chairman Fidelity & Casualty; A. J. Ferres, vice-president; C. L. Raymond of Raymond & Raymond, Detroit; J. C. Armstrong, state representative and special agent for the F. & C.; George J. Lieber, newly appointed Michigan resident manager, and Charles Bennett, Detroit agent. Mr. Bennett in behalf of the agents, presented a bronze desk set to Mr. Upington. Mr. Lieber was formally introduced to the officers and agents, and C. B. Smith of Lansing, president National Association of Insurance Agents, on behalf of the Lansing association, presented to Mr. Lieber his first piece of business since assuming his new duties, an application for the Lansing city treasurer's bond. Managers of other casualty companies in Detroit and officials of the Michigan As-

sociation of Insurance Agents and the Detroit association were present.

Among those in attendance were C. L. Newmiller, W. C. Billings and Hale Anderson, vice-president F. & C.; E. A. Henne, vice-president and western manager America Fore.

H. N. Hutchinson, who for the past 15 years has been Atlanta manager of the American Surety, has left Atlanta to assume his duties as superintendent of production, at the home office in New York. The Atlanta Rotary Club, of which he was an active member for a number of years, complimented Mr. Hutchinson with a farewell dinner.

Donnald M. Taylor, personal representative of the president of the International Reinsurance of Los Angeles, and Miss Valle G. Good of that city, were married in Chicago last week. Both attended Principia school at St. Louis. Mr. Taylor graduated from the University of Michigan and then took the law course at Harvard. He is a son of Executive Vice-president W. L. Taylor of the Chicago Fidelity & Casualty.

WANTED AUTOMOBILE UNDERWRITER

Man of experience, acquainted with conditions throughout the country, and capable of taking complete charge Automobile Department at Home Office. Give complete details as to experience, past and present affiliations; and salary. All replies strictly confidential.

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Aetna's Graphic Advertising

To advertise the opening of the new home office building of the Aetna Life companies, a special rotogravure section, consisting of 24 pages, was inserted in the Jan. 4 issue of the Hartford "Courant," all of the expense of which was borne by the company. On the first page of the section is a handsomely illuminated picture of the home office building as first glimpsed through the trees. On succeeding pages are pictures of the four presidents who have served the Aetna Life companies, a story of the planning for the building, and various views of the structure, details and views of various rooms.

**NATIONAL BUREAU TO
HAVE PUBLICITY MAN**

The National Bureau of Casualty & Surety Underwriters has decided to employ a publicity man, the executive committee having determined on this at its last meeting.

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